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NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

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Berisha Meets With Clinton, Other Leaders at UN

AU2410125795 Tirana TVSH Television Network in Albanian 1900 GMT 23 Oct 95

[Telephone report by Sokol Terihati from New York]

[FBIS Translated Excerpt] [Passage omitted] The presidents of the participating states are holding bilateral meetings in various halls at the UN palace. President Berisha had a cordial meeting with U.S. President Bill Clinton, who paid tribute to the path of reforms in Albania and President Berisha's role in the success of these reforms. Clinton reconfirmed the U.S. Government's full support for Albania and to finding a solution to the regional crisis.

President Berisha thanked Mr. Clinton for his support and assured him that Albania would advance along the path of consolidating democracy.

You will not lack Austrian support in your integration into Europe as you have not done so far, Austrian President Thomas Klestil declared at a meeting with President Berisha. As a friend of yours and of Albanians, I follow your progress with pleasure, Klestil continued.

The balance of good Slovene-Albanian relations was the focus of President Berisha's meeting with Slovene President Milan Kucan.

There was extraordinary media interest in a meeting between Albania, Turkey, Bulgaria, and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] organized in the presence of van den Broek, EC commissioner for foreign affairs. A $1 billion project on Tirana-Skopje-Sofia-Istanbul transregional transportation, telecommunications, and infrastructure caused Berisha, Demirel, Zhelev, and Andov [deputizing for FYROM President Gligorov] to sit down at the same table.

At a joint press statement, in addition to their determination to implement this project which will connect the Adriatic with the Black Sea, the four leaders confirmed their good understanding on a stabilized region. They viewed the U.S. commitment and that of the EU, which has repeatedly favored the project and stability in the delicate Balkan region.

Nano Seen Conducting Purges From Prison

AU2410191195 Tirana KOHA JONE in Albanian 20 Oct 95 p 3

[Report by E. Barci: "Pellumbi: Zeneli Has Met Berisha"]

[FBIS Translated Text] "You have met with Sali Berisha in secrecy," Servet Pellumbi [Socialist Party—PS deputy chairman] charged [Deputy] Bashkim Zeneli on Monday [16 October] at the meeting of the PS Presidium. Zeneli did not accept this but no one defended him. The accusation of the first deputy chairman was determining what happened later. The next day the Presidium dismissed Zeneli together with Maqo Lakrori, Fatmir Kumbaro, Xhevat Lloshi, and Luan Shahollari. The other member of the group, deputy chairman Luan Hajdaraga, was saved by three votes. "These are dirty things," was Zeneli's reply to the accusations. "As I am laughing now, so will Sali Berisha do," he continued to deny the accusation. The accusation was launched on Monday, while on Tuesday the Presidium voted Zeneli's dismissal.

It seems Zeneli's explanations at the Presidium meeting did not convince the members present, and moreover, accusations against him were made known even to the members of the Steering Committee. Rumors say that Zeneli met Berisha a few days before the approval of the Antigenocide Law by the legislature. According to the law, PS leader Fatos Nano and secretary general Ruci were deprived of the right to be elected to the next legislature. There are suspicions within the PS that in the Zeneli-Berisha meeting it was agreed that Nano and Ruci be eliminated from the political scene at any expense.

The Socialists understand the meeting between Berisha and Zeneli as a signal that the latter, with the assistance of the government, prepared to take the reins of the party into his own hands. One of the PS leaders says that this was only one side of Zeneli. "Together with a few others who were dismissed and a few who were spared, in meetings with local or foreign politicans he said that the PS was led by the conservative communists," says that leader.

Zeneli replies to his accusers: "Anonymous people were used to write anonymous letters at the time of the dictatorship and to dig the grave of others; it appears now that they want to continue with the schemes of the [Workers Party] Political Bureau of Shehu and Hasbiu [Political Bureau members] type." Irrespective of the degree of trust in the accusations against Zeneli, the proposal for his removal came from Benca [prison] signed by Fatos Nano. It is not known whether Nano believes that Zeneli met Berisha to plot against him, but it is known that Nano's proposal did not aim at Zeneli's removal but also of Lakrori's, and why not of the PS deputy chairman, Hajdaraga's.

Within the PS there are people who do not believe there was a Berisha-Zeneli meeting. They consider the Berisha-Zeneli story as a strategy in which Zeneli cannot counterattack those who removed him. A few days before the Tuesday meeting, Nano received two letters in prison from two PS leaders. One letter clarified the "splitting" activity by the Zeneli group and the other demanded that Nano exercise his influence on liberalizing the party and eliminating the Marxist conservatives, Pellumbi and Dokle. Though Nano replied to both letters, in fact, he sided with those who consider Zeneli's and Hajdaraga's activity as disruptive. He did not accept the accusations of conservatives and reformers in the party, but he left everything to be decided by voting.

Nevertheless, Nano's letter to the leader who demanded Pellumbi's and Dokle's elimination was very severe. "You have remained as you have always been: a plotter and informer," wrote Nano. As a result he left the elimination of the prodigal sons to the 90 members of the Steering Committee. Hajdaraga had a hair breadth escape. If Nano would have proposed the removal of six people, today Hajdaraga would have no post in the PS. Though in prison for years, the Socialist leader showed that he knows and directs his party very well.

PS Protests 'ShIK' Attack on Deputy Chairman

AU2410191095 Tirana KOHA JONE in Albanian 24 Oct 95 p 3

[Report by C.V.: "Blows on Servet Pellumbi"]

[FBIS Translated Text] The socialists are really questioning the public order during the coming electoral campaign following yesterday's incident in Lushnja, when a group of people attempted to hit [Socialist Party—PS] Deputy Chairman Servet Pellumbi. Deputy Musa Ulqini, who was present at the incident, used harsh language against the scenarios of Berisha, who, according to Ulqini, is inspiring acts of violence with his speeches. "Those who disrupted yesterday's activity of the PS are doing nothing more than translating into reality Berisha's teachings in his hysteric speeches against the PS," adds Ulqini who only avoided violence because he arrived in Lushnje a little later. Servet Pellumbi was attacked, but it was his driver and Ilir Zela of the FRESH [Eurosocialist Youth Forum], who rushed to his rescue, that suffered the blows. According to witnesses, after Pellumbi arrived at the cinema where the local PS meeting was to take place, a group of people started to call insults and offend those who had come from Tirana. Earlier they had removed the key to the private cinema by force. Then the incident occurred. Apart from private offenses, there were also political slogans such as "Communists, you have sucked our blood," "We will hang you," etc. "They all were members of ShIK [National Intelligence Service], the public order services, or the local administration, says Ulqini, adding that they were all identified by PS personnel. The most aggressive was the Berat public order chief, Alfred Haxhiu, who was the Lushja Democratic Party [PD] secretary before. "He shouted the most obscene words against Pellumbi and the PS," says Ulqini, criticizing the Lushnja police, who did not intervene and disperse the crowd. After the attack against him, Pellumbi had to find shelter in the offices of the Socialist-dominated district council. From there, he asked the police to disperse the ShIK group and to establish order. This situation lasted for more than two hours. Pellumbi then decided to leave the town as the meeting could not continue. Upon leaving the district council offices, he was again attacked by the same people, who threw stones at his car and broke its windows. Servet Pellumbi escaped by getting into the car of the Socialist district chairman, Asllan Haxhiu, whose Lushnja plate saved the deputy chairman. After the suspension of several meetings in Tirana, the arrest of about 20 people in Tirana and Durres, and the incident with Gramoz Ruci in Vlora and yesterday's incident, the PS is expected to react severely today, demanding strict rules and the presence of international observers during the electoral campaign.

Military Commentator on Approach to Joining NATO

AU2410142095 Sofia BULGARSKA ARMIYA in Bulgarian 19 Oct 95 pp 1, 4

[Commentary by Major General Todor Trifonov of the Bulgarian Air Force Reserve: "Toward NATO—With National Dignity and Pride"]

[FBIS Translated Text] The arguments about when and how we should join NATO are quite natural, but the debates should be conducted calmly, on the basis of sound arguments, and without displays of emotion and mutual accusations. At least three groups are participating in the debates, each of which believes that only it is right: The first is for joining, the second against, and the third is for preserving neutrality. Within the group that is in favor of joining NATO, disagreements exist concerning deadlines, conditions, and so on. However, in our preparations to join we have to base our position on at least two very important considerations. The first is that we have to defend our national interests and protect our national dignity and the second is that NATO needs us just as much as we need it. It is important for NATO, like any military alliance or coalition, to attract new members. However, NATO will not accept any country as a new member if it does not need that country. It will accept the country in question only if it will thereby increase its military, economic, and intellectual power and/or gains a strategic advantage over another military alliance, coalition, or country, provided that the new member brings no new problems along with it when it joins. As regards increasing NATO's military power, our country has no significance. The same is true of our economic power. Regarding intellectual power, NATO will consider this question and reach the assessment that it will have something to gain. However, our power and importance lie in the strategic advantages that our territory possesses and has offered to every other coalition or alliance of which we have been members. This fact requires no proof.

On this basis, we can and should negotiate with NATO as equals, with a full sense of national dignity and human pride. The Bulgaria of 1995 is not the Bulgaria of 1945, any more than Germany is as it was on 9 May 1945. The world is not the same, either. The great powers have been convinced that even small nations that have a sense of their own national worth can upset the apple cart. It is enough to remember France and Vietnam, the United States and Vietnam, and the Soviet Union and Afghanistan. Bosnia-Herzegovina has reconfirmed this. Accordingly, our politicians should throw away their beggar's staffs and, as in the words of a well known soldier's song, "Let them raise their heads proudly, let fire flash in their eyes"; with the pride and self-confidence that they are Bulgarians, boldly, with diplomatic tact and skill, but firmly, they should defend our country's national interests.

One should bear in mind that at present and during the next 10-15 years our national economy will be unable to bear the military expenditure of rearming the armed forces, building the necessary infrastructure, and accumulating equipment that conforms to NATO standards (several hundred billion dollars will be needed for this).

Even our neighbors Turkey and Greece cannot satisfy these requirements. To maintain their armies (and the Turkish Army is the biggest one in NATO after the United States), every year they receive free military aid totalling $1.3-1.5 billion, in the ratio of 100 to 70 in Turkey's favor.

During the negotiations, our country can and should set certain conditions, such as the following:

—Work should start on re-equipping our army to NATO standards when we have restored our economy at least to its 1988 level. Until this time, we should allocate for this purpose the same percentage of our GDP as we have done until now, while the other NATO members will provide us with free aid;

—In addition to any other possible military aid, we should receive annually as much free military aid as Greece does, or, if Greece receives no aid, 70 percent of the aid provided to Turkey or whichever country receives the most military aid;

—No foreign troops or nuclear or other weapons of mass destruction should be deployed on our territory in peacetime. In the event of a war breaking out, these questions will be decided by the Bulgarian National Assembly;

—Our country should retain and develop its own military industry, with the right to trade with all countries in the world;

—The composition of the Bulgarian Armed Forces and their command and deployment will be decided by the relevant competent national bodies and institutions;

—Since the alliance is an open one, and since Turkey can purchase Russian weapons and Germany can use Russian combat equipment, we too can buy weapons and combat equipment from countries that are not NATO members, and so forth.

In our recent history, the people have never had the opportunity to state their views directly on the issues of war and peace, on whom we should form an alliance with or not, or on the issue of neutrality. The northern countries showed us how we should act at the end of the 20th century in relation to questions of critical importance for the nation and the country, namely, by holding a national referendum. Joining NATO and the EU are separate, unconnected issues. Turkey has been a NATO member for more than 40 years, yet it is not a member of a single European structure. Everything that I have said about our relations with NATO is also true for our relations with the European structures.

Officials Defend Kozloduy First Reactor Activity

AU2410190595 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 24 Oct 95

[FBIS Translated Text] On 24 October, Kiril Tsochev, deputy chairman of the Council of Ministers, met Mrs. Angela Merkel, German minister of environment, nature preservation, and reactor safety, at her request.

The dialogue was difficult, Mr. Tsochev said afterward to a reporter of the national radio. Mrs. Merkel did not have any arguments. She mostly expressed her wish for cooperation between Bulgaria and the EU, and insisted on stopping the first reactor of the Kozloduy nuclear power plant, Mr. Tsochev said.

The Bulgarian side adheres to a constructive dialogue, without any pressure and outside the political stage. The dialogue must be conducted at an expert-technical level, because a serious scientific issue is involved—the problem of proving the safety of the Bulgarian nuclear power supply. This is neither a political nor an economic issue, Mr. Yanko Yanev, chairman of the Committee on Peaceful Use of Atomic Energy, said after the meeting at the Council of Ministers.

He assured that all the recommendations of foreign experts will be taken into consideration, providing that they are technically sound, but that, so far, no one has been able to disprove the evidence we presented.

Further on Reactor Safety

AU2410204195 Sofia Khorizont Radio Network in Bulgarian 2000 GMT 24 Oct 95

[FBIS Translated Text] Today, in Kozloduy, the leadership of the Kozloduy nuclear power plant and Konstantin Rusinov, chairman of the Committee on Power Supply, gave a news conference for foreign and Bulgarian correspondents.

Kozma Kuzmanov, director of the Kozloduy nuclear power plant, stated that the Bulgarian nuclear plant is safe and functions in total accordance with the international norms.

The correspondents were handed a written position on the safety of the first reactor construction outlining the improvements and analyses conducted in the past and pointing out the reasons that prompted the plant's leadership to reject the program of a new test of the reactor proposed by the EU.

Compensation for Closure Offered

AU2410190495 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 24 Oct 95

[FBIS Translated Excerpt] The Sofia Third Ministerial Ecoforum continues. [passage omitted] At a news conference this afternoon, Mrs. Merkel, German minister of environment, nature preservation, and reactor safety, published the note of three EU countries to the Bulgarian Government on stopping the first reactor of the Kozloduy Nuclear Power Plant and taking samples from the reactor's structure for testing. Bulgaria has been offered compensation, the size and form of which are yet to be determined.

Later on, Mrs. (?Lepage), French minister of environment, made a similar statement. [passage omitted]

Prior to walking out of the conference, the Greek delegation made an important proposal for the concluding document, which has already been discussed by a working group. Countries forced to stop their nuclear reactors because of safety considerations must receive adequate assistance so that their economic development is not jeopardized, the Greek proposal reads. [passage omitted]

Zhelev Views Opposition Before Local Elections

AU2410145195 Sofia TRUD in Bulgarian 20 Oct 95 p 9

[Interview with President Zhelyu Zhelev by Rumyana Bratovanova; place and date not given: "I Expect the Opposition To Distinguish Between Political Ally and Foe"]

[FBIS Translated Text] [Bratovanova] In 10 days, the Bulgarians will be voting again. Observers have noted that you are keeping silent. What does your silence mean?

[Zhelev] After I set the election date in accordance with the Constitution and appointed the Central Electoral Commission, and after the election documents were signed and published in DURZHAVEN VESTNIK, I think that I completed my job. The municipal elections have a great importance for our democratic development, because democracy begins at the roots, where the people live and where they have a direct link to the municipal authorities. It is very important that as many people as possible vote, especially young people, whose problems could be completely solved at a local level. Unfortunately, we still do not have the complete package of bills to settle all the issues of local self-government. Many of the bills passed by the 37th National Assembly do not facilitate the decentralization of power. I see excessive centralization as a weakness of democracy.

[Bratovanova] Some people view your silence at this political moment as a sign of your disappointment with the opposition's failure to unite....

[Zhelev] I would not say that the opposition has failed to unite. I think that now for the first time we have some sort of unity of action on the part of the democratic opposition parties. Unfortunately, this was done with different degrees of success in various places, but I think that we are witnessing an important tendency characteristic of every real democracy: the unity of action of the democratic forces, while preserving their political authenticity and image. I think that despite all qualifications, this is the first time since 1989 that something like this has been taking place.

I have always insisted on a united opposition that acts in a united manner. I do not mean the formation of a new Fatherland Front, that is, that one center should control everything, but precisely the unification of all really democratic political forces around common goals and priorities.

[Bratovanova] Are you concerned about the existence of two opposition centers?

[Zhelev] We must always take political realities into consideration. I would say that there are more than two political centers or factors in the democratic opposition. We must not confuse the unification of the democratic opposition's efforts with the creation of a single center. Such unity is not necessary. The bipolar model during transition simply springs from real life itself and its real conflicts. However, the bipolar model and the artificial enforcement of a biparty system are two different things.

[Bratovanova] What topic moves you most in this election campaign?

[Zhelev] Naturally, I am mostly moved by the question of whether the democratic opposition will gain sufficiently strong positions and whether it will participate convincingly in the municipal authorities, having in mind the future presidential and parliamentary elections. No election is ever the last one. It is very important to remember this in Bulgaria

Personally, I would like the democratic opposition to find the formula and key to uniting its efforts with a view of reaching the great goal of Bulgarian democracy: integration into Europe and implementing the reforms in the country. Therefore, it is necessary to achieve a common victory at the municipal elections, regardless of which particular representative will represent the democratic opposition in any given place. It is important that he is a representative of the common political space and common uniting ideal.

I am also moved by the manner in which the election campaign is being conducted. The election results will depend much on this campaign. I would like the campaign to be conducted in such a manner that tomorrow, when it becomes necessary to unite the efforts of the various democratic forces, they will not be ashamed of what they have said about each other.

Now, the nomination of more than one candidate is being dramatized. I do not think that this is a drama. I see as a drama the failure of the opposition to unite in the second round, to propose a single candidate, and to win. I am already concerned with a syndrome with which I am familiar since the parliamentary elections. Certain statements of opposition leaders testify to the inability to distinguish the political ally from the foe—a matter of shortsightedness or color blindness. This is very dangerous. It could produce sad or even quite catastrophic results at the parliamentary elections.

[Bratovanova] Are the municipal elections a prologue to the presidential elections?

[Zhelev] Let me answer in the following manner: We are facing the municipal elections. Let us think and speak about them. As far as the presidential elections are considered, there is many a slip twixt cup and lip. There are many imponderables related to the presidential elections. Transition is a very complicated thing: an equation with many unknowns. Therefore, it is difficult to make any forecasts.

[Bratovanova] Does this mean that you are not going to tell me how angry you are?

[Zhelev] I will not tell you, but I could tell you with whom I am angry.

[Bratovanova] Both your sympathy and criticism are directed at the opposition. How do you assess the election campaign that the Bulgarian Socialist Party [BSP] leaders are conducting?

[Zhelev] I think that they are conducting a very good campaign, from the point of view of their own interests. First of all, they created a very dangerous trap for the opposition with the Election Bill itself. I mean the participation of three parties in the second round. I hope the opposition will be smart enough not to fall into this trap. There are certain comical aspect in the election campaign. I mean the TV time allocated to the various political forces. Ostensibly, it is being allocated on an equal basis, but it resembles a duel in which one participant receives 10 bullets, while the other only two.

[Bratovanova] According to the forecasts, the BSP will win the municipal elections. What consequences do you expect if this happens?

[Zhelev] I think that the consequences will be sad. They will mean a delay in implementing the reforms. What will be presented as reforms will actually be something that will serve the interests of a narrow group of people related to the BSP leadership. The land will not be returned. The land reform itself has already been torpedoed. Instead of having a mass, cash, and managerial privatization, we will have a nomenklatura privatization, i.e., "our" people will again benefit from it. I think that this is why so many plant managers are being replaced. This is done simply to create good starting positions for "our" people. I am not speaking about foreign policy consequences. I think that now, 10 months after that party assumed the power, the Bulgarian people have gradually begun to understand what actually happened on 18 December 1994. I mean the Schengen list of the EU in which our name appears, the neo-COCOM from which we were eliminated, and so on.

[Bratovanova] Could the BSP somehow prove that it is a party of reforms, so that it could become better accepted in the world? What would you do if you were Zhan Videnov?

[Zhelev] Thank God I am not Videnov. Let Mr. Videnov think about how this might be achieved.

[Bratovanova] Power is again about to be distributed. However, as long as crime reigns, this is meaningless for the simple man. Why has the BSP done nothing until now? Is it that it cannot or does not want to?

[Zhelev] It does not want to because it cannot. This will be its fatal problem.

Weekly Attacks TV Chief for Favoring BSP

AU2410125095 Sofia VEK 21 in Bulgarian No. 35, 18-24 Oct 95 p 1

[Editorial: "Fear Lies Behind the Demonstration of Power"]

[FBIS Translated Text] "He who governs the television governs the country"—this idea, it appears, has become Ivan Granitski's credo. Quite deliberately, he is using the power given to him by the BSP [Bulgarian Socialist Party] to work for the benefit of his patrons, and the most convenient time to do this is during the local election campaign. Accordingly, the worthy gentleman refused to give air time to SDS [Union of Democratic Forces] leader Ivan Kostov to make a statement on national television, nor would he permit Kostov's authorized representative to make a statement on the following day. The motives for his refusal are clear to all thinking people: The television is no longer a national, but a party medium, as it was in past years. What may come as a surprise is that, whereas until recently the censorship operated secretly behind the scenes, now Granitski and his patrons are openly displaying their muscles, power, and...fear. Why otherwise will the viewers have no problems in seeing the "unforgettable" face of the "unforgettable" George Ganchev, [leader of Bulgarian Business Bloc] whom provincial reporters praise to the skies in any case?

The SDS deputies have already asked the chief prosecutor to look into the offenses committed by Granitski in his official position—breaches and nonfulfillment of his official duties with the aim of causing harm to the SDS as a political force. The SDS deputies emphatically demand the resignation of the director general of Bulgarian National Television. However, at the moment he does not appear to have any worries about his professional future, and he certainly has a reason for this. Behind him stand not only the red deputies, but also the red press, which categorically states that Ivan Granitski should stay in his post, because the elections are coming, because he has only just started his job, and "must be allowed time to show whether what he has started is succeeding or not."

If we go back only a few years, then this selfsame press was attacking the first democratic government and talking about the failure of its policies, without considering the reasons or thinking about its brief one-year term in office. However, this press rejoiced in the chance that Berov was offered more than once to implement reforms—reforms that resulted in Granitski being put in charge of our television.

Klaus on Bosnia, Share Deal, NATO Expansion

LD2410203095 Prague Radiozurnal Radio Network in Czech 1720 GMT 24 Oct 95

[Interview with Prime Minister Vaclav Klaus by Jaroslav Skalicky in Prague; date not given—recorded]

[FBIS Translated Excerpt] [Skalicky] Prime Minister, the American company Stratton has bought from the Harvard Fund an important packet of shares in Czech companies. The FINANCIAL TIMES said that this move would revive the Prague Stock Exchange and enhance your position. Do you share this view?

[Havel] I was surprised to discover not only in the FINANCIAL TIMES, but also in LIDOVE NOVINY a speculation that this move was supposedly to enhance my position. I should say that none of us is trying to dictate or regulate, be it from outside or from above, who buys this or that company or this or that share. I found out about this report at the same time as your listeners.

For me, this is a normal transaction of a slightly bigger proportion. If it provides a signal for the outside world, it is hopefully a good signal. But I am not going to give any further or deeper consideration to this issue. [passage omitted]

[Skalicky] According to some reports, the Czech units' participation in the peacekeeping contingent in Bosnia will cost 2 billion korunas [Kc]. But there is talk of another Kc3 billion—at least that is what the press says—to foot the cost of the troops' transfer, for example. My question is: If this sum were to be spent, would the Czech economy or our Army be able to foot the bill?

[Havel] I must admit that I have never heard these figures. Perhaps I missed them, but I have never seen them in the press. The sum of Kc3 billion is a huge sum, and there is no danger at all that matters of this kind would be contemplated. [passage omitted]

[Skalicky] Prime Minister, Russian President Yeltsin repeated several times recently that Russia would not allow NATO to expand eastward. Do you think Russia would be able to threaten the alliance sufficiently to make it adopt a negative or hesitant attitude toward the Czech Republic's joining in?

[Havel] I would say that, in my view, all of the statements coming from Russia, including the latest from President Yeltsin, are primarily aimed at reaching the Russian domestic scene. Russia is facing both presidential and parliamentary elections, and each politician has to pretend that he is exerting maximum effort on defending Russia's interests in the world. I am not overestimating this issue. After all, all of us everywhere in the world are aware of this. And this is the first aspect of the matter.

The second thing is the indisputable fact that Russia does not want this. This, too, is an indisputable fact, and we cannot force anybody to go for it.

But the third thing is that I believe that our participation in NATO will not be decided in Moscow. It will undoubtedly be decided in Brussels, Washington, London, and other places of this kind. [passage omitted]

[Skalicky] Do you think the decentralization of regions is an issue of such importance that we can say that it hinders our reform?

[Havel] I am 100-percent sure that this is not the case. It is a misleading card. A debate about regions is not in any sense a debate about a decentralization process. A debate about a decentralization process versus a centralization process is about something totally different.

Citizens do not gain anything if they continue to receive orders, regardless of whether they are coming from Prague, Brno, Ostrava, or Usti nad Labem. This is no victory. Decentralization is when the state gives up its powers over citizens, leaving to citizens what belongs to them. [passage omitted]

Daily Outlines Ministry's Plans for Bosnia

AU2410170595 Prague MLADA FRONTA DNES in Czech 23 Oct 95 p 2

[Article by Jan Gazdik and Viliam Buchert: "Holan Is Already on the Lookout for the Commander of the Unit That Will Go to Bosnia on Mission"]

[FBIS Translated Text] Prague—The Defense Ministry hopes to dispatch a reinforced battalion from the Havlickuv Brod-based rapid deployment brigade to Bosnia on a peacekeeping mission. Defense Minister Vilem Holan said that he is compiling with the General Staff lists of qualified people who would make it through the tough combat training prior to its departure. He is selecting a commander for this unit at the same time.

The General Staff is considering volunteers from among the ranks of paratroopers, troops with experience in the Balkans, and reservists.

The international units are to have more extensive powers than to date in maintaining the cease-fire. "They will not be whipping boys like the guys in Croatia, who were attacked, robbed, stripped naked, and taken as hostages," said the commander of the ground forces, Major General Karel Kuba, who claims that the peacekeeping units' mandate in Croatia was a bad one. According to him, in Bosnia, it must be clear that whoever breaks the cease-fire will immediately be taught a hard lesson.

Defense Minister Vilem Holan said that the United States, Britain, and France want the Czech Republic to send an elite unit to Bosnia. Talks with NATO nonmember countries on participating in the Bosnian operation began a week ago in the alliance's Brussels headquarters. "Brussels' interest also ensues from the evaluation that, of the Central European countries, we, along with Poland, are closest to admission to NATO," said Holan.

The cost of the military hardware the Czech Army is to have in Bosnia and the costs of preparing and dispatching the elite battalion are estimated by General Staff experts at 3.5 billion korunas.

It is envisaged that the battalion will be made up of 1,000 men furnished with infantry combat vehicles and antitank, mortar, and engineering equipment, including rear-echelon and medical services. The unit should be able to operate independently for a month.

The Army command concedes that the Czech side can still refuse to take part in the peace mission. "If the units do not have sufficient authority or if they face a disproportionate risk, maybe we will not send the battalion to Bosnia at all," said Maj. Gen. Kuba.

State To Pay for Peacekeepers

AU2410145595 Prague MLADA FRONTA DNES in Czech 23 Oct 95 p 1

[Article by "(vib, gag)": "The Republic Will Pay For the Dispatch of Troops to Bosnia Itself"]

[FBIS Translated Excerpt] New York/Prague—The dispatch of Czech troops to Bosnia, on which U.S. military sources are almost certainly counting and for which an elite unit is being prepared at home, will be paid for by the Czech Republic.

As opposed to previous missions in the Balkans, which were paid for by the United Nations, the cost of the peacekeeping units in Bosnia will be financed by the country that sends its troops to the region. The annual cost for the Czech unit should amount to almost 2 billion korunas. The sum, which represents one-fifteenth of the overall expenditure proposed for the state's defense next year, must, of course, be approved in advance by the Chamber of Deputies.

President Vaclav Havel, who is on a visit to the United States, said that the proposal to dispatch Czech troops would get through parliament. "The most important thing is that we would thus make our potential and ability clear to the alliance. This could play an important role next year in the considerations on when NATO is enlarged and by whom," said Havel. [passage omitted] After a peace agreement on Bosnia-Herzegovina is signed, 1,000 Czech troops should also go to this Balkan country within the framework of NATO units. [passage omitted]

Major General Karel Kuba, commander of the ground forces, maintains that the Army is capable of sending a reinforced battalion to Bosnia three months after the operation is approved by parliament. This will not, however, involve the troops previously deployed in Croatia. They will complete their mission in mid-December. [passage omitted]

Minister Signs Customs Agreement With Slovakia

AU2410141795 Prague MLADA FRONTA DNES in Czech 21 Oct 95 p 14

[CTK report: "The Customs Union Should Continue To Function"]

[FBIS Translated Text] Prague—Czech and Slovak officials agreed yesterday that the Customs Union between the two countries should continue to operate despite some of the current disputes. Nevertheless, Trade and Industry Minister Vladimir Dlouhy said after yesterday's meeting of the Union Council that the Czech side sees problems in Slovak certification of products, the different burden on imports from the point of view of value-added tax, the granting of licenses for trade in sensitive goods, and some of Slovakia's customs arrangements.

At the council session, Ivan Kocarnik and Sergej Kozlik, the two countries' finance ministers, signed an Agreement on Cooperation and Mutual Assistance in the Customs Sphere. It should facilitate the movement of people and goods across the joint border.

Reports View Skoda Plzen's Dealings With Iran

AU2410145695

[FBIS Editorial Report] Prague MLADA FRONTA DNES in Czech on 21 October carries two articles on Skoda Plzen's business contacts and intentions in Iran.

A 250-word article by "(km, lh)," carried on page 1 under the headline "Skoda Plzen Would Like To Promote Itself on the Iranian Market," reports that Skoda Plzen's management announced on 20 October that it was to conclude "a number of important contracts" with Iran and "establish several joint enterprises there. At the same time, however, it ruled out the possibility that

Skoda would like to conduct business in Iran in weapons and nuclear technology." The article says that Skoda is not exceeding any "legal bounds" by conducting trade with Iran, but, by doing so, "it could get the Republic onto the thin ice of international policy."

In a 450-word article by Jaroslav Kmenta and Lukas Havlas, carried on page 2 under the headline "Skoda Has Already Established an Enterprise With the Iranians in Tehran," the authors say that a joint enterprise involving Skoda Plzen and the Iranian company Pars is "already beginning to operate in Tehran." The two companies each own 50 percent of the enterprise, which is to "look for and secure business in Iran." The authors report comments by Skoda Plzen's deputy chairman, Pavel Fiala, who envisages that "more Czech-Iranian enterprises will be established in heavy engineering or the power industry and in trolleybus manufacture." According to him, there is no reason not to cooperate with Iran "as the United States, Japan, and Germany are among this state's most major industrial partners." According to the report, Skoda Plzen representatives do not want to discuss the "Islamic state's undemocratic manifestations" such as the death sentence pronounced against Salman Rushdie. According to Fiala, "we have far more concerns than holding a philosophical debate on whether this is right. We are interested in trade, manufacturing, and industrial development."

Clinton Meeting With Kovac Unmistakable 'Signal'

AU2410150195 Bratislava NARODNA OBRODA in Slovak 23 Oct 95 p 3

[Commentary by Ivan Horsky: "Signals That Are Impossible To Overlook"]

[FBIS Translated Text] In spite of the great number of verbal declarations, the dispute over Slovakia's foreign and, thereby, also domestic policy orientation has far from ended. The very number of visits at various levels from the East, particularly Russia, as well as from the West clearly bears this out. The situation has even reached a point where the diplomatic representatives of Russia and the United States present their opinions on fundamental issues of Slovakia's policy on the pages of the progovernment daily [allusion to interview with Russian Ambassador Yastrzhembskiy in the 30 September issue of SLOVENSKA REPUBLIKA and U.S. Ambassador Russell's response in the 12 October issue of the same daily].

Moscow understandably seeks to prevent NATO's expansion to the borders of its sphere of influence, as it regards the borders of independent Ukraine. That is why the more reasonable among Russian experts do not rail openly against the membership of their former satellites in the Atlantic alliance but are trying to argue in favor of some kind of positive neutrality for them. At the same time, they do not criticize, for the time being, their endeavor to become integrated into the EU, as though they did not realize that a relatively strong military-political organization—the Western European Union [WEU]—will gradually be formed, which will apparently represent NATO's European pillar and, consequently, will be under NATO's protective umbrella. For the time being, one can only guess what the motives of such a schizophrenic attitude are, but it may not last long and the awl will come out of the sack.

The United States and its allies, on the other hand, whom we would supposedly like to join one day, seeing the destabilization and open conflicts in various parts of the postcommunist part of Europe, are interested in preventing this germ from infecting their countries. This was precisely the reason for the incomprehensibly long delayed but all the more vigorous intervention in Bosnia and the persistent effort to expand the much-touted zone of stability and prosperity in Europe. At the same time, it is impossible to overlook the fact that the renewed Russian overtures are no longer targeted just at Slovakia, but also at Hungary and Poland, while the Czech Republic seems to have already been written off by Moscow.

Washington and its partners keep stressing, however, that the question of NATO membership is the sovereign decision of each candidate, who will have rights as well as duties. But, at the same time, Washington does not want to vacate the field [to the Russians] without a fight. That is why it is sending to this part of the world signals that are impossible to overlook. One of them also was the participation of the White House chief, Bill Clinton, in the opening of the Slovak and Czech National Museum and Library in Cedar Rapids, Iowa, in the presence of Presidents Vaclav Havel and Michal Kovac.

Moreover, it is impossible not to understand this meeting also as indirect support for the Slovak president in his conflict with the prime minister, who evidently has his own ideas about how a democratic system should function, ideas that bear little resemblance to those established and valid in organizations that we strive to enter. But this is just one signal. Another signal, one that is in no way weaker, is that, with few exceptions, EU countries maintain contacts with Slovakia only up to the ministerial level, while any contacts above this level are embargoed, so to speak.

That is why the prime minister should examine his conscience to find out what went wrong. He should realize that Slovakia's specific weight is too small for it to sit on two chairs without risking falling between them. This will enhance neither his personal credibility as a politician, nor the credibility of the state he represents abroad. And conjuring up the impression that busy diplomatic activity outside Europe and the United States is a sufficient substitute is, from the viewpoint of the state's political interests, a fallacy. We will not get far in Central Europe with a democracy of the Singaporean type and, if it gets us anywhere, then only into isolation from the main current, which can be profitable only in the short run.

I may be repeating myself but, for small states, the best diplomacy is a legible and clear domestic policy conforming and compatible with the principles that are valid in clubs, in the membership of which we are signaling our interest. So long as we do not accept these rules of the game, we cannot expect to be taken seriously. At the same time, we need not exclaim ad nauseam that we want to become members. Rather, we should demonstrate this by our actual steps.

HZDS Daily Says Clinton Wishes To Meet Meciar

AU2410144795 Bratislava SLOVENSKA REPUBLIKA in Slovak 23 Oct 95 pp 1-2

[Report by TASR: "Museum of Czechs and Slovaks in the United States Opened in the Presence of Bill

Clinton; U.S. President's Wish To Meet the Slovak Prime Minister; By Its Steps, Government of the Slovak Republic Contributed to Stability in Central Europe; Support for Slovakia's NATO Membership"]

[FBIS Translated Excerpt] Cedar Rapids—[passage omitted]

Steps Toward Stability

"During the talks with President Bill Clinton, I emphasized that, in a relatively short period of time, Slovakia and the Government of the Slovak Republic have managed to take specific steps contributing to stability and prosperity in Central Europe," Jozef Sestak, state secretary at the Ministry of Foreign Affairs, told the TASR correspondent after the talks with Bill Clinton. In this connection, Jozef Sestak referred to the activities of the Government of the Slovak Republic within the framework of the Central European Free Trade Association [CEFTA] and to negotiations concerning our entry into NATO.

"At the same time, I expressed the wish for President Clinton's meeting with the Slovak prime minister and chairman of the National Council of the Slovak Republic in the foreseeable future. Bill Clinton listened to my words with interest and replied that he will do what he can in this regard," said Jozef Sestak, who used this opportunity to express thanks, in the name of the Government of the Slovak Republic, for the assistance the U.S. Administration and Bill Clinton personally are extending to Slovakia.

[Bratislava PRAVDA in Slovak on 23 October on pages 1 and 15 carries a 1,200-word report by CTK and TASR on Slovak President Kovac's and Czech President Havel's U.S. visit, which includes the following passage: "According to an unnamed White House staffer who informed CTK, in his talks with President Kovac, the U.S. President declared his own neutrality in the Slovak domestic political struggle. However, according to Clinton, these 'party struggles' are growing into something that jeopardizes democratic principles in Slovakia."]

Luptak: West 'Luring' Bratislava Into NATO

AU2410170495 Bratislava NARODNA OBRODA in Slovak 21 Oct 95 p 6

[Report by TASR: "Jan Luptak Does Not Rule Out Slovakia's Neutrality"]

[FBIS Translated Text] Moscow—"No politician, not even the government coalition, can decide on the fate of the nation without its consent. Only a nationwide referendum can provide a reply to the question of whether Slovaks want their country to join NATO," Jan Luptak, deputy chairman of the Slovak parliament and leader of the left-wing Association of Workers of Slovakia [ZRS], said in an interview for the Russian ITAR-TASS news agency.

"I do not trust the results of the recent public opinion poll, according to which 38 percent of those polled supposedly desired marriage with NATO. This percentage is clearly overstated," believes Luptak, on the basis of experience from numerous meetings with his voters.

Most ordinary Slovaks do not miss NATO, the EU, or the IMF in the least. "No one has told them yet how much Slovakia will pay for its integration and how this will be reflected in society." Particularly the prospect of some kind of a supranational body that will decide instead of us where, when, and under which conditions NATO units and nuclear missiles will be deployed represents a warning. Yes, we are a small Slavic country, but we must decide on our fate ourselves.

Luptak is of the opinion that the doctrine of neutrality directly offers itself to Slovakia. As early as 1968, when Czechoslovakia was occupied by the armies of the Warsaw Pact, the idea emerged that Czechoslovakia should be a neutral country between West Europe and East Europe. "In the opinion of our party and that of many workers' collectives, neutrality is, also now, the best alternative for Slovakia." Russia is ready to extend security guarantees to Slovak neutrality. This is unacceptable to Western politicians for one serious reason, Jan Luptak claims. "They succeeded in tricking the postcommunist countries of East Europe into disarming themselves by liquidating by oxygen cutters their tanks, guns, and aircraft. Now they are luring us into NATO and the EU in order to complete the dismantling of our military industry and force us to purchase Western weapons. Our workers will be unemployed, and some foreigners will make billions. They robbed the Slavic nations once before in a similar manner, when they liquidated CEMA [Council for Mutual Economic Assistance]. No investigation will ever uncover who profited from this and by how much, but one thing is certain—it was not our nations," Jan Luptak stressed in the interview for ITAR-TASS.

Kovac Views Democracy, Conflict With Meciar

AU2410185395 Bratislava NARODNA OBRODA in Slovak 20 Oct 95 pp 1, 3

[Article by President Michal Kovac: "Test Through Democracy"]

[FBIS Translated Text] Following the establishment of its statehood and the confirmation of its sovereignty in the world community of nations, our country set forth on the road of the autonomous administration of its internal life and international relations. It wants to prove to the world and, above all, to itself its equality with other nations that use their own capabilities to successfully control their own fate regardless of the size of their territories or the strength of their populations.

Today, a small country is no longer subject to the whims of great powers, and its development depends more on the arrangement of its internal relations. The internal situation either facilitates a complete utilization of the abilities of the nation, absorbing the civilization experience of the advanced countries, or, thanks to the internal struggle for power, it will get into international isolation, and its importance will gradually downgrade to reach the periphery of European action.

Why Did the Conflict Flare Up?

This is also the context in which I see the conflict that has flared up between the president and the prime minister. I claim that its essence is the impossibility to maintain the methods and style of politics of the prime minister in pluralistic democracy. This is what, true to the pledge I made on assuming office, I have kept pointing out in my objections. Hence, the altercation between us concerns the interpretation and implementation of the democratic mode of state administration, which our country chose and enshrined in the Constitution as the best suitable model regarding our cultural and historical basis.

There are numerous sociologists of world renown who consider a conflict to be an organic component of modern society, even a source of social change and progress. So, it would not be correct to consider controversies and conflicts a priori as pathological phenomena of democracy that must be removed once and for all, and certainly not by removing the adversary. They are by-products of cooperation in society; seemingly they render it more difficult, but, in fact, a more efficient form and a more effective mode of cooperation in society are achieved through them. The struggle taking place in the conflict raises the value of the effective human synergy. It is impossible to programatically avoid conflicts (if they are rational), but they must be accepted voluntarily, calmly "fought out" and overcome in a dignified manner because that is the only way that leads to an eventual "reconciliation" and new quality cooperation. "The idea that there could be a policy—that is, a program of those in power—without conflict is wrong." (R. Aron)

Four Planes of Understanding Democracy

In my opinion, the causes of the conflict in question are rooted in the different interpretation of democracy and its implementation in the political process. The differences are evidenced on four planes.

First, it is the cognition of democracy in general. Conflicts can arise from the very polymorphous and controversial nature of the notion of democracy and its content. It is a multidimensional concept. Numerous definitions have emerged in the spheres of philosophy, politics, and political science, and, even today, the most widely accepted understanding emphasizes its varied aspects. To some, what is important is formal democracy, its declaration in the Constitution, and the legal establishment of human and civic rights or free elections; others emphasize the plurality, the existence of political parties, and the character of the institutions. Other advocates of democracy perceive in the term the sound of freedom, equal chances, social justice, and humanity. Yet others emphasize, above all, the procedural form, the mode of political action and conduct, and so forth.

The theory and practice of the states with advanced democracy coincide in the recognition that the epitome of democracy combines numerous ideas of democracy toward which the reality of democracy strives, in the sense of reaching the maximum possible accord of the ruling circles and ordinary citizens with the prospects of "seeking methods and fruitful decisionmaking by all on everything."

Hence, the important feature of democracy is—and I would like to emphasize this—its constant improvement, the incessant democratization of the regime. Hence, the question is not just what democracy is but also how much democracy, how close is the reality to the ideals. It is precisely in this sense that every country and every member of its government team undergoes a test through democracy.

We have come out of a totalitarian regime (that also called itself a democracy) only recently, and it seems that, even after six years, its momentum could not be overcome either in thought or in action. As if we were not sufficiently prepared for democracy, it is, above all, the prerequisites within people (critical thought, the need for identity, social empathy, and transcendence). A great majority of the population has never experienced democracy, is not getting familiar with it now, and does not perceive its complexity. Only very little has been done over this short period in the area of political education and the clarification of democracy (while the communists organized weekly political seminars for years). If the public lacks insight, dubious, aberrant views of politicians on democracy can be defended publicly, and its goals and procedures can be discussed. The success of some politicians literally depends on the political inexperience and little to no political training of their supporters.

What Is the Bone of Contention With the Prime Minister?

Today, to use an analogy, we are still at the stage of the so-called educational democracy. Here, it is true that "democracy without education is boundless hypocrisy." The prerequisites for democracy must be prepared both in society and people themselves, their stands and thoughts. It is only a torso of democracy, if it is limited to the act of the selection of the rulers. According to the contemporary thinkers, the important element of democracy is not the selection of the ruler but, rather, the way he rules and the tone of civic life between elections. (E. Kohak)

Under these circumstances, the president undoubtedly has the right to see what is happening, what the state of democracy is, what the tendencies of political development are, and how the process of democratization of society is progressing. By his appearances, he can effectively help to form the democratic spirit of society and express demands for correcting the errors in develpment. The following are his specific tasks:

—To point out the values, procedures, and pitfalls of democracy. Democracy is continuously cultivated in the countries with profound democratic traditions, and therefore such cultivation is even more necessary in our young republic.

—To prevent any violation of the Constitution or the adoption and passing of anticonstitutional laws.

—To warn emphatically against the existing tendencies leading toward the opposite of democracy; to totalitarian conditions, to the concentration of power without any control, and to a reduction of the control mechanisms of power. Advanced democracy is characterized by the diffusion and decentralization of power.

—To take care that the importance of the calm, competitive character organized according to traditional rules of democracy is not diminished and to struggle vehemently to block all attempts to change the pluralistic Republic back to a one-party state cloaked in a few democratic forms.

—To warn against the creation of an economic and financial oligarchy on party principles, an oligarchy equipped with real political power through wealth acquired by privatization.

Undoubtedly such activities of the president are at the core of the conflict. Because of the gravity of these problems, one can neither give up these activities nor somehow soften their effect.

Suppressing Dialogue Is Inadmissible

Second, it is a matter of understanding the regime of pluralistic democracy. It is a duty of the democratic regime to maintain a certain degree of national consensus when common interests are in question. This must be achieved despite democracy concealing within itself the tendency to polarize society (E. Kohak) and parties in democracy actually being permanently in dispute and competition with each another. They have a legitimate right to discuss everything that should be done. They cannot be excluded from such a discussion (by means of a biased influence on media, for instance). Suppressing dialogue is inadmissible—even on the floor of the parliament.

The history of democracy has verified the truth that it works well in its pluralistic form if a compromise can be implemented. This means to recognize the legitimacy of the other party and maintain the will to seek a solution acceptable to all. A regard for compromise is the main principle of a democratic regime. This, together with the principle of respect for laws and rules, was emphasized by the Enlightenment philosopher C.L. Montesquieu as long as 250 years ago. Therefore, from the very beginning of my work in the post of president of the Republic, in the spirit of this idea, I have been calling for reconciliation in our society as a—perhaps the most important—prerequisite for the existence and prosperity of our young state.

The Call for Reconciliation Is Not a Crisis

On the other hand, archaic ideas have emerged in our country, according to which the call for reconciliation and broad fundamental government power is a crisis of the constitutional system. An insightful person can see that the advocates of this type of thinking put their hold on power and the resulting personal advantages above the interests of society and the general good. They keep forgetting that it is typical of the contemporary methods of government in democratic countries to achieve by gradual talks what can be obtained by force (even at a time when some lack the force).

On the third plane of incongruous interpretations of democracy and its practical implementation, there emerges the problem of the democratic majority. The democratic rule of the majority is the touchstone of any attempt at democratic government. It should not be abused. No one doubts the legitimacy and legality of the power that emerged from free elections. What we have to reflect on here—and I am trying to do that—is the question of whether a simple-minded argument by the majority captures the essence of democracy. Of course, it does not! This has always been clear to genuine democrats. To quote one of the authors of the architecture of the U.S. democratic system and later U.S. President James Madison: "We need political democracy because it is truly the best tool for preventing the usurpation of power by several individuals. Political democracy can also be used, however, to concentrate power to the benefit of the majority and to the suppression of rights of those who do not belong to the powerful group." Another political thinker expressed it briefly: "Democracy is a limitation of power, including the power of the majority."

This is a very different reasoning for political institutions compared with what we are witnessing at home today, when democracy is treated like arithmetic—that is, 80 are not enough, 90 representatives of democracy are needed in parliament; they must be gained at any cost, by any means—and all problems will be solved. This type of thinking is undoubtedly a childhood disease of our democracy. "Yes, the will of the majority should prevail. For this will to be legitimate, however, the right of the majority does not concurrently mean the judiciousness of the majority. A majority gives the power, not the right" (Thomas Jefferson). The uneasy task left to us is to make "quantity bear also quality as inseparably joined phenomena" (G. Sartori).

Tyrannizing a Minority Is Also Inadmissible

One more note on the limitation of power, even the power of a majority: First of all, one must keep in mind that the majority frequently—and this also applies to Slovakia—is only the largest minority. Even in Slovakia, a numerical minority of citizens is the ruling majority. That is a problem of the electoral system. Nevertheless, a just democracy cannot allow the majority (which is really a minority) not to recognize or even to tyrannize political minorities (which, joined together, add up to a majority). Unfortunately, however, such tendencies can be observed in our country. A full-fledged democracy recognizes both the rights of the majority and the rights of the minorities.

Fourth, politics is not just a power struggle. I am not—as certainly no one among us—so naive as not to see in democracy also an aspect of the power struggle. I am not, nor do I wish to be, one of those false realists who perceive politics solely as a power struggle. I must reject this philosophy or politics, according to which the only thing that matters is who gets what and when. It is inconceivable, and it must not be allowed that such an understanding of politics can be the image of the moral state of society and can take root in the way of thinking of our public.

Similarly, it cannot be allowed that any governing oligarchy take more care in upholding the state power than it does in implementing the necessary changes and reforms in society. That would be a weakness of the regime, which could jeopardize the regime itself, along with the state and its stability, precisely by this partial spirit and by the manipulation of constitutional practice.

I Do Not Accept Machiavellian Cynicism in Government

As the president of a republic with a democratic constitution, it is my duty not to accept such Machiavellian cynicism in government because it represents the decay of the moral basis of politics. Therefore, I emphasize the importance of the political life in our country resting on moral values and principles. Our freedom is inconceivable without moral obligations. From this point of view, we must implement in political practice all of the elementary moral principles as, for example, the following:

—The regime cannot lose the moral basis of legitimacy; power must become legitimate through ethical behavior, it must behave according to the written and unwritten principles of ethics. The political contest cannot be conducted below the level of moral and ethical standards.

—Those who hold different political views cannot be pushed to the edge of legality; alternative opinions cannot be placed outside the law, as the government team is attempting to do, by illegal, unconstitutional means.

—The manipulation of the truth, slander, and construed accusations without any evidence (what can one argue?) cannot be the foundation of politics.

—What characterizes regimes best is the manner of selecting the exponents of power on all levels of its vertical axis. It is impossible to again allow a state of affairs in which talent, work, expert knowledge, and merits mean nothing in comparison with party membership or support.

—The approach that aims only at the satisfaction of revenge-seeking politicians who want to ascribe humane and democratic impulses to their private revenge is inadmissible.

There are certainly even more areas where the views of the president and the prime minister differ. I have listed, in my opinion, the main areas of incongruous stands that are the source of conflict, but in which it is also possible to recognize the principles I have followed in my work to date. They also indicate my basic premises on which our young democracy should be formed so that no one in the world can question our domestic political development. Perhaps they might be used to negate the arguments used by the other side against my work in the post of president.

Attacks Are To Conceal Power Struggle

The public is gradually realizing that the personal attacks against me and the presidential office, the unconscionable slander of my entire family, and the blowing up of the alleged mistakes I am supposed to have made in the office are not reliable evidence of my alleged unfitness to be the head of state. Many Slovak citizens, as letters and other expressions of support indicate, perceive all this only as a ruthless campaign that serves to conceal the struggle for absolute power in this state. It is really sad that the entire coalition joined in this campaign, even the parliamentary majority, which, moreover, organizes special commissions for this purpose. They lack only one—however important—thing, namely, objectivity. Everything works toward a single objective—to remove the obstacle, to get rid of the bothersome president. The very method of dealing with the conflict is completely undemocratic and has nothing to do with political culture. It failed the test of democracy just as its instigators did.

SDSS Condemns Government Attacks on Kovac

AU2510105995 Bratislava PRAVDA in Slovak 23 Oct 95 pp 1-2

[Article by Nora Sliskova: "SDSS Again With Jaroslav Volf at the Head"]

[FBIS Translated Text] Trencianske Teplice—Jaroslav Volf, hitherto leader of the Social Democratic Party of Slovakia [SDSS], has been reelected party chairman. This decision was made by the delegates of the Fourth SDSS Congress, held over the weekend.

In a secret ballot, 100 of the 147 congress delegates voted for Volf. Rival candidate Ivan Laluha, who represents the "Revival of Social Democracy" [Obroda Socialnej Demokracie] faction in the SDSS, received 40 votes, and the third candidate, Ivan Paulicka, got seven. The participants in the congress decided, furthermore, that the party would have five deputy chairmen: Marta Cerna, Marcela Gburova, Miroslav Spejl, Lubomir Slahor, and Dominik Filip. The delegates also elected a 32-member SDSS Central Council.

During the 21 October debate, the Revival of Social Democracy faction put a 10-point program to the delegates. In a leaflet, it criticized the present party leadership and called on the delegates to support Ivan Laluha, who had been a Movement for a Democratic Slovakia deputy during the last electoral term. The overwhelming majority of delegates rejected this and confirmed the party's present political line, as represented by Jaroslav Volf. At the close of the congress, the faction came out with the statement "On the right to a special platform within the SDSS." The delegates took a vote, in which they rejected even this initiative.

During the debate, participants at the congress sharply condemned the practices of the present ruling power, the confrontational style of running the state, and attacks on the president. They unequivocally endorsed the SDSS's opposition stance toward the entities making up the ruling coalition. They agreed that the SDSS would operate as an independent entity within the framework of the Common Choice parliamentary club and support close cooperation with all left-wing parties and democratic forces in the state.

The delegates adopted a statement in which they expressed support for the trade unions and called for cooperation among left-wing forces. According to the SDSS, instead of inciting confrontation, the parties of the government coalition should strive to live up to their preelection promises. In conclusion, they approved the party's realization program for the years 1995-97. Guests from the SDSS's sister parties from all over Europe participated in the congress.

[Bratislava NARODNA OBRODA in Slovak on 23 October on page 2 carries a 500-word report by Martin Kovacic on the SDSS congress, which lists the responsibilities of the newly elected SDSS deputy chairmen as follows: Marcela Gburova "for policy issues, education, and social policy"; Lubomir Slahor "for foreign relations"; Miroslav Spejl "for relations with other parties and media policy"; Marta Cerna "for communal and regional policy"; and Dominik Filip "for internal party activity."]

SNS Leader Accuses Kovac of 'High Treason'

AU2410162695 Bratislava SME in Slovak 21 Oct 95 pp 1, 3

[Article by "bog, jel": "According to Jan Slota, the SNS Is Considering Proposing in the National Council of the Slovak Republic That the President Be Accused of High Treason; SNS: France Did Not Consult Language Law Abroad"]

[FBIS Translated Excerpt] Bratislava—The Slovak National Party [SNS] harbors the suspicion that President Michal Kovac's statements abroad constitute a criminal offense under Chapter 6, Article 107 of the Constitution of the Slovak Republic, SNS Chairman Jan Slota said yesterday. This article states that the president of the Slovak Republic can be prosecuted only on charges of high treason. According to Jan Slota, the SNS Political Board will be dealing with the president's statements and will decide whether the SNS is to ask parliament to charge President Michal Kovac, who left for the United

States yesterday, with high treason. According to the SNS chairman, the nature of some of the statements made by the president in Germany [during his 12-13 October visit] were such that even European Parliament committees dealt with them. He added that, on the basis of Michal Kovac's statements, the suspicion is arising in Western Europe that basic human rights and democratic rules are being violated in Slovakia, which is not true, according to Slota. In Slota's opinion, the president is harming his own country and nation by such statements. Jan Slota did not want to specify which statements he meant because the SNS has not yet had them verified, he said. He only mentioned as an example that, while in Germany, Michal Kovac called the SNS a chauvinistic party. According to Slota, the president must not speak about a parliamentary party in this way. [passage omitted]

The SNS is extremely happy that the draft law on the state language will be discussed at the November meeting of the National Council of the Slovak Republic. According to Slota, this law is in conformity with comparable laws in other countries. Slota accepts that the government made the draft of the law available to the Council of Europe, even though, in his opinion, there was no reason to do so. He said that when France passed its language law, it did not have it assessed by Slovakia, the Visegrad Group, or anyone else. Slota expressed astonishment that Prime Minister Vladimir Meciar had promised that representatives of the Hungarian parties would be able to submit their opinions on the draft even prior to its submission to parliament. The SNS chairman said that he did not know anything about this. Regarding the foreign policy orientation of the Slovak Republic, Slota said that he did not know why some Slovak politicians were seeking the Slovak Republic's quick entry into NATO, given that representatives of NATO member countries are extremely restrained when speaking about this possibility. According to Slota, great powers such as the United States, Russia, France, Germany, and Ukraine will be very happy if Slovakia is neutral.

[Bratislava SLOVENSKA REPUBLIKA in Slovak on 21 October on page 3 carries a 350-word unattributed report on the SNS briefing, which adds: "According to SNS Honorary Chairman Jozef Prokes, the request by the Office of the President of the Slovak Republic to inspect the investigation file on the abduction of Michal Kovac, Jr. abroad 'smacks of interference in the investigation.' Jan Slota called the request unusual because the case is not yet closed."]

Press Criticizes HZDS Proposals on Court

AU2410141695

[FBIS Editorial Report] Slovak newspapers of 21 October publish a number of reactions to the proposal submitted by Augustin Marian Huska, deputy chairman of the Movement for a Democratic Slovakia (HZDS), to amend Constitutional Court procedures. Under the proposal, rulings on the compatibility of laws with the Slovak Constitution should require a four-fifths' majority of the Constitutional Court's 10 judges and verdicts on the interpretation of the Constitution, issued by a three-member Constitutional Court "tribunal," should require unanimity, instead of the two-thirds' majority required at present. If no unanimity is achieved, the motion is to be rejected.

Bratislava NARODNA OBRODA in Slovak on 21 October on page 2 carries a 400-word report by Zuzana Pemova entitled "Milan Cic on Powers Connected With the Interpretation of the Constitution of the Slovak Republic." Pemova links Huska's proposal to Prime Minister Meciar's recent complaint that, "under existing legislation, three judges of the Constitutional Court of the Slovak Republic in Kosice can change the intention of parliament, which is now unable, once the Constitutional Court issues its ruling, to confirm its will." Pemova also recalls Meciar's conviction that "this shortcoming can be redressed by an ordinary, rather than a constitutional, law." (While the former needs only a simple majority of parliamentary votes, the latter requires a three-fifths' majority.)

The report then questions Milan Cic, chairman of the Constitutional Court, on his reaction to Huska's proposal. Cic is quoted as replying: "I agree with the view that the interpretation of the Constitution should fall within the powers of the plenum rather than the tribunal. In the event of an amendment to the law on proceedings before the Constitutional Court, it would be possible to solve this problem at least partially by stipulating that the tribunal's legal interpretation must be approved unanimously—that is, by all three votes. Any other method of amending the legislation is out of the question. An ordinary law cannot vest this power in the Constitutional Court plenum. It can happen—and I am convinced it will happen—during a future amendment to the Constitution of the Slovak Republic."

Bratislava SME in Slovak on 21 October on page 1 carries a 400-word interview with Ernest Valko, former chairman of the CSFR Constitutional Court, by "iko" entitled "An Attempt To Render the Constitutional Court Unfunctional." Asked his opinion on the motives of Huska's proposal, Valko says that "it is an attempt to render the Constitutional Court unfunctional, an attempt to prevent motions concerning the incompatibility of approved laws with the Constitution from being passed. A number of such motions are with the Constitutional Court at present. Those who approved the laws know very well that these laws are anticonstitutional." Valko believes that the agreement of a four-fifths' majority of Constitutional Court judges will be "very difficult to achieve" and points out that "such a high quorum does not exist anywhere in the world." According to Valko, some countries require the agreement of a two-thirds' or three-fifths' majority, but these are usually countries with a larger number of Constitutional Court judges than Slovakia.

On the same day, on page 4, Bratislava SME in Slovak carries a 500-word commentary by Juraj Hrabko entitled "Attempted Assault." Hrabko opens the commentary by saying that, after Meciar called the Constitutional Court "a sick element on the scene," it was only a question of time before the coalition came up with a "therapy." In Hrabko's opinion, Huska's proposals represent "not only an assault on the weak independence of courts, but also an attempt to render the Constitutional Court of the Slovak Republic unfunctional. It is hard to imagine all of the judges sharing identical views, as they used to, and willing to make decisions without discussion or at the behest of the HZDS Central Committee. While in the National Council of the Slovak Republic the parliamentary majority exercises terror over the minority, the proposals in question are aimed at the opposite extreme: securing the terror of the minority of judges over the majority." As Hrabko explains, if the amendment proposed by Huska is passed, three of the Constitutional Court's 10 judges will be able to "block" decisions on the compatibility of laws with the Constitution, and one of the three members of the "tribunal" will be able to "block" verdicts interpreting the Constitution. Hrabko therefore believes that "judicial power is to be denied the possibility to meet its fundamental duty: to say what the law says" and "the coalition intends to assume this function itself." "In reality, the proposals [submitted by Huska] represent nothing other than an attempt to steamroller the Constitutional Court of the Slovak Republic," the commentator concludes.

FNM Official Denies Property Being Sold 'Cheaply'

AU2510102095 Bratislava PRAVDA in Slovak 23 Oct 95 p 2

[Report on interview with FNM Presidium President Stefan Gavornik by an unidentified TASR correspondent; place and date not given: "Stefan Gavornik Only Offered To Resign (to Jan Luptak)"]

[FBIS Translated Text] Bratislava—"Leaving aside the striving for transparency, which we are enforcing, I do not think privatization is taking any other course than in previous years. The sharper focus on the National Property Fund [FNM] of the Slovak Republic is justified, and I welcome it," Stefan Gavornik, president of the FNM Presidium, said in an interview for TASR. He disagrees with the view that property is being sold cheaply. As he said, in this process there exist pressures of all kinds, "which I am trying to resist with all my conscience and savvy." According to Stefan Gavornik, the present FNM leadership has succeeded in introducing the institution of employee shareholding companies. In accordance with the Government Policy Statement, the FNM is at the same time trying to build a domestic capital-owning class. This distinguishes the present government from its predecessor, which rather preferred foreign capital. According to Gavornik, the FNM could have sold the Ladce cement factory to an interested party from a neighboring state for 1.3 billion korunas. "We learned that it wanted to close down the factory, so we sold it to domestic buyers," he explained. He admitted that, in some cases, the buyers' loyalty is also considered in privatization, but the number-one criterion is their experience in the line of business in which they want to be active. He regards coupon privatization as not being specifically targeted because property is being "handed out for free." Stefan Gavornik is convinced that the FNM will have sufficient liquidity to redeem citizens' bonds [to replace privatization coupons], provided it will not have to contribute to other purposes. There is supposedly even a foreign buyer interested in purchasing the entire bond issue. Gavornik's recently reported consideration to resign was the consequence of nonobservance of coalition agreements. "When I found this out, I called Jan Luptak, the chairman of the Association of Workers of Slovakia [ZRS], at night and told him that I was contemplating resigning because my chances of implementing the ZRS election manifesto in the sphere of privatization were limited." At the same time, Gavornik denied that he had submitted his resignation to Ivan Gasparovic, the chairman of the National Council of the Slovak Republic. He had only offered it to Jan Luptak.

[Bratislava SLOVENSKA REPUBLIKA in Slovak on 23 October on page 2 carries a 400-word TASR report on the above interview, which includes the following additional passage: "Stefan Gavornik admitted that, in some cases, the majority of shares are owned by the company management. 'It is possible to let the employees own 51 percent of the shares. However, this raises the academic question whether this would mean a return to socialism,' he said. The practice of 'everything belonging to everyone, everything being ours' did not acquit itself well. He believes that, in some cases, employees could be divided on the issue of investment in the company because, depending on their age, some would advocate investment and some would oppose it. He believes that up to 30 percent of the companies privatized so far will again go into privatization, which will not be regulated by the state, because their fate will be decided by the market. According to Stefan Gavornik, politics is present in privatization, a fact he does not condemn, however, because privatization is part of politics. He is pleased that, in spite of everything, the economy of Slovakia is making headway. 'Let everyone give the government and its bodies creative peace and let them work,' he said. According to Gavornik, the coalition will last as long as all partners conduct themselves responsibly and abide by agreements. He admitted that 'sparks are flying' at coalition talks from time to time, but no one's withdrawal from the coalition is being contemplated."]

Goncz Wants UN Cooperation on Ethnic Tension

LD2510092495 Budapest Kossuth Radio Network in Hungarian 0800 GMT 25 Oct 95

[FBIS Translated Text] The United Nations has always provided a forum for the protection of the interests of small states, such as Hungary, by making it possible for them to take part in shaping the future. Among other things, this was said by Hungarian President Arpad Goncz in his address to the festive assembly of the United Nations in New York. The president said that for a lot of countries, the United Nations embodied the source of help and hope, as happened in 1956 when Hungarians took courage from the UN General Assembly's solidarity.

Speaking about today's tasks, he urged closer international cooperation against worldwide sources of dangers, primarily nationalism and increasing ethnic tension.

Kovacs: Need To Reform UN, Preserve Principles

LD2410200195 Budapest MTV Television Network in Hungarian 1830 GMT 24 Oct 95

[FBIS Translated Text] Hungary is also of the view that the UN's effectiveness could be improved. This could be facilitated by the admission of at least Germany and Japan to the Security Council, Foreign Minister Laszlo Kovacs said at a meeting [in Budapest] marking the UN anniversary.

[Begin Kovacs recording] The basic principles, above all, the UN's commitment to strengthening peace and security and the assertion of human and minority rights, to help development, and to ease social problems, should be preserved. The operation of the UN should be reformed so that it can represent these principles in a new international system of conditions. One of the possible solutions for the United Nations is to improve cooperation with various regional organizations, such as the Organization for Security and Cooperation in Europe, for that can considerably ease its burdens. [end recording]

UDMR Head on Romanian 'Reconciliation' Offer

AU2510081795 Bucharest Radio Romania Network in Romanian 2000 GMT 24 Oct 95

["Dispatch" by Dorin Suciu]

[FBIS Translated Text] During today's proceedings of the Hungarian National Assembly, Zsolt Nemeth, a deputy of the Federation of Young Democrats, asked Foreign Minister Laszlo Kovacs why the Hungarian Foreign Affairs Ministry takes so long to give an answer to the Romanian-Hungarian historic reconciliation initiative of President Ion Iliescu. Laszlo Kovacs replied that the experts of his ministry are currently working on a document, but, for the time being, its text will not be published, as the National Assembly Foreign Policy Panel has not discussed it and the representatives of the ethnic Hungarians in Romania have not been consulted either.

Visiting Budapest, Bela Marko, the president of the Democratic Union of Hungarians in Romania [UDMR], was received by Hungarian Prime Minister Gyula Horn. Their talks are part of the usual periodic contacts the Hungarian Government has with representatives of the ethnic Hungarians beyond the borders, they said later on at a news conference that was attended by Marko and Csaba Tabajdi, state secretary at the prime minister's office.

The Hungarian Government supports the UDMR's policy, including its autonomy aspirations for the ethnic Hungarians, Marko told the correspondents.

The Hungarian Government is entitled and even legally compelled to maintain relations with the Hungarians living beyond the borders of the country, especially in the case of the UDMR, considering that the Romanian Government is not maintaining genuine dialogue with the UDMR, State Secretary Tabajdi claimed.

Following the news conference, UDMR President Marko made the following statement to Radio Romania Current Events and ROMPRES:

[Marko] During today's meeting, we approached various themes and various issues, but, of course, the talks concentrated on the Romanian-Hungarian relations and the situation of the ethnic Hungarian population in Romania.

Regarding President Iliescu's initiative, our opinions coincide, namely, we think that if one really wants to implement such an intent, one first has to change certain realities in the country referring the situation of the ethnic minorities. For instance, Romanian Parliament passed certain laws discriminating against ethnic minorities, and here I am referring to the alterations to the Penal Code, which punish the use of other countries' insignia and anthems.

Besides this, in our opinion, the document elaborated by the Romanian Foreign Affairs Ministry is extremely superficial and it sets out from the idea that, in Romania, the ethnic minority problem is fully solved, and that the conduct and rhetorics related to this issue are the only things that still ought to be regulated. However, in our opinion, the first step that has to be taken is the regulation of the ethnic minorities' juridical status, which means that the legislation has to be altered.

[Suciu] Do you think there are chances for the Education Bill to be altered in the near future?

[Marko] Theoretically, there are good chances. I mean, formally speaking, there are no obstacles whatsoever, especially considering the fact that we have handed in our legislative initiative signed by almost half a million citizens, which has been lying at the Senate Education Commission.

In order to obtain any alterations, I think it would be necessary that the majority, the ruling party, should radically change its outlook. We are eager to see how things will evolve now that the ruling party has broken relations with one of the extremist parties in the ruling coalition [reference to the Greater Romania Party]. However, it is extremely difficult to make any forecasts.

Opinion Poll Views Confidence in Politicians

AU2410175295 Budapest NEPSZAVA in Hungarian 24 Oct 95 pp 1, 4

[Report by unidentified correspondent: "Opinion Poll on Confidence in Politicians"]

[FBIS Translated Text] The news on Labor Affairs Minister Mrs. Kosa Magda Kovacs appeared in the press just before the usual monthly opinion poll of the Marketing Centrum. The public reacted sensitively to this event. Compared to the results of the September poll, the recognition [ismertseg] of Mrs. Kosa increased by 8 percent, and her confidence index increased by 16 points. Such a popularity increase has only been noticed once so far, namely, in the case of Gabor Kuncze during the election campaign.

It seems that leaving the Horn cabinet is advantageous for the popularity of the politicians in question. For example, the popularity of the first official who resigned, namely, Gyorgy Janosi, increased by 21 percent and his confidence index increased by 6 points after he left the position of Education Ministry state secretary. In this case, it was really noteworthy that there are tensions in the government and between the governing parties, so neither the increase in Janosi's recognition nor the increase in his popularity proved to be lasting. The second politician to leave the Horn cabinet was Laszlo Bekesi. The public did not bother very much with his resignation (or dismissal) but, since then, the former finance minister has been lastingly more popular by 4 to 5 points than during his time in office. In protest against the "Bokros package" two ministers resigned at the same time. Both ministers' confidence index increased slightly (by 7 and 5 points respectively), but Bela Katona and Pal Kovacs are not really well-known politicians, so their resignation did not have a major effect on the public. The next official to leave the cabinet was the also less well-known Laszlo Pal, who did not leave the cabinet in protest. Thus, his popularity did not increase after his resignation (his confidence index actually decreased after his appointment as head of MOL Ltd.)

The present, fifth case, probably elicited such a big reaction because Mrs. Kosa gradually became one of the best-known politicians in the cabinet. From 46 percent after she took office, her recognition increased to 73 percent in May this year. However, she did not become more popular: Her confidence index keeps fluctuating between 39 and 42 points. At the same time, the evaluation of Mrs. Kosa was less influenced by the social-demographic situation and party affiliation of the people in the survey. This means that Mrs. Kosa was not especially popular for any strata of the population, but she was not very unpopular either. Mrs. Kosa got into a conflict with the very unpopular finance minister, and this led eventually to her resignation. This explains the fact that her popularity increased among the supporters of almost every party, mostly among the supporters of the Alliance of Free Democrats [SZDSZ], the Hungarian Democratic Forum [MDF], and the Independent Smallholders' Party [FKGP], but supporters of the Hungarian Socialist Party [MSZP] also did not blame her for leaving the government. Her evaluation in the previous months was slightly more favorable among villagers and people with lower education than among city dwellers and high school and university graduates. At the same time, villagers and people with lower education generally react less rapidly and intensively to political events than people in big cities and university graduates. This is what happened this time too: Mrs. Kosa's popularity increased by 21 to 23 points among high school and university graduates and city dwellers, while it only increased by 12 percent among villagers and people with lower education. Three other politicians registered bigger changes than the error margin: Gyorgy Keleti and Lajos Bokros' confidence index dropped by 5 points, and that of Arpad Goncz dropped by 4 points.

Gyorgy Keleti's popularity improved exactly as much between August and September as it has deteriorated now. Gyorgy Keleti's evaluation is changing primarily among people between the ages of 18 to 29. Today, his evaluation is more favorable among people older than 60 (by 15 points) than among people younger than 30.

Lajos Bokros' confidence index dropped to 11 points. With this, the finance minister exceeded his own negative record. One can hardly find such an unpopular government member even internationally. Besides, his 11 point index is due to the fact that two-thirds of the people do not have any confidence in Lajos Bokros; 15

percent of the people have little confidence; 6 percent have medium confidence; and only 1 percent have full confidence (the remaining 12 percent do not know him or are unable to decide).

The confidence index of the president of the republic decreased by a total of 12 points in the course of this year, but he still steadily occupies his first place on the list of politicians.

Confidence in Arpad Goncz continues to be the lowest among FKGP and MDF supporters (59 and 57 percent respectively), and the highest among MSZP and SZDSZ supporters (81 percent). Arpad Goncz's popularity dropped most among young people from the ages 18 to 29. Besides, Arpad Goncz's current 68 points is due to the fact that 38 percent of the people have full confidence in him, 27 percent have high confidence, and 15 percent have little confidence, and only one-tenth of the people have no confidence in him (the remaining one-tenth were unable to decide).

Level of Recognition, Confidence Index, and Change in the Best Known Politicians

	Recognition	Confidence Index	Change
Arpad Goncz	97	68	- 4
Gabor Demszky	91	56	- 2
Mrs. Kosa Magda Kovacs	81	55	+ 16
Gabor Kuncze	93	54	- 3
Gyorgy Keleti	79	53	- 5
Laszlo Kovacs	57	53	+ 1
Ivan Peto	89	45	- 1
Sandor Nagy	79	45	0
Tamas Deutsch	81	44	+ 1
Karoly Lotz	59	44	- 2
Viktor Orban	88	42	- 1
Matyas Szuros	81	42	+ 1
Zoltan Gal	72	42	- 2
Laszlo Surjan	83	40	- 3
Gyorgy Giczy	56	40	- 1
Jozsef Torgyan	96	39	0
Gabor Fodor	90	39	- 2
Agnes Maczo	79	37	+ 2
Ivan Szabo	76	36	- 1
Lajos Fur	86	35	- 3
Gyula Horn	92	31	- 1
Imre Konya	81	31	0
Peter Boross	90	26	- 3
Istvan Csurka	85	18	- 1
Lajos Bokros	96	11	- 5

Researchers See Chance for Further Economic Growth

AU2410094295 Budapest NEPSZABADSAG in Hungarian 20 Oct 95 pp 1, 5

[Report by "B.K.": "Growth Has Not Stopped—Kopint-Datorg Claims on the Effect of the Bokros Package"]

[FBIS Translated Text] Growth has existed in the economy and this can be further strengthened next year if the government conducts a strict anti-inflation policy, researchers at the Kopint-Datorg Corporation claimed on the basis of their latest report on economic activity. The experts find it unjustified for real wages to decrease by 4 percent in value in 1996. They can see a chance to curb inflation and to continue stabilization by restricting central price increases and through an overall price and wage agreement. According to the Kopint-Datorg, the foreign economic situation will again favor the increase of Hungarian exports next year. Compared to its spring report, Kopint-Datorg is now more optimistic about the economy's growth this year: It estimates the increase in GDP at 2 percent in the first half of the year and at 1.5 to 2 percent for the entire year. In spring, the researchers were concerned that, through the Bokros package's [named after finance minister] radical decrease of demand, growth would be halted. This has not yet happened, actually, contrary to the government's economic policy, they claim.

In other words, while a tough restriction was started due to the Bokros package, this could not restrain the economy's already existing positive tendencies. As a result, the trade balance deficit was reduced, the increase of the budget deficit stopped, and there still is hope that the current account deficit will not reach $3 billion by the end of the year. Real wages decreased significantly—by 10 percent—(real incomes decreased less than this), but the restriction of consumption is smaller than planned by the decisionmakers.

According to the researchers, there was no break in the real processes in the first half of the year: Industrial production grew by 8.5 percent, exports by 37 percent, and, within this, engineering industry exports increased by 50 percent. The volume of investments increased by 7 percent which is a 35-percent increase at current prices. The structure of accumulation has changed compared to last year: The proportion of state investment decreased by 20 percent and company investments increased by 60 percent. (It is noteworthy that engineering investments increased by 120 percent and the vehicle industry's by 240 percent.) Productivity increased by 14 percent, and with the reduction in the wage cost per unit the economy's international competitiveness has improved. The dynamic increase of exports was accompanied by improved profitability, therefore, the terms of trade have not deteriorated.

These processes prove the initial success of stabilization and the relative independence of the real sphere. The researchers can also see danger zones. According to their prognosis, inflation can be between 28 to 30 percent this year. If this does not change, it can undermine the positive effect of the confidence-strengthening, preannounced exchange rate policy. For this reason, Kopint-Datorg believes that a strict anti-inflation policy will have to be pursued next year because this is the only way to maintain the growth which can be 2 to 3 percent. The experts believe the fiscal adjustments planned for next year to be excessive and the efforts to reduce inflation too little. In their view, an important role could be played in this by the state's self-restriction in central price increases and by an overall social price and wage agreement. The Kopint-Datorg researchers argue that with a well thought out governmental policy next year, there is a chance to further increase investments and exports—the foreign economic situation is favorable for this. If the government continues to try to achieve its goals through the inflation of nominal incomes then the economy's performance can be much worse in 1996 than in 1995.

President Izetbegovic Holds Talks in New York

Meets U.S., Croatian Presidents

LD2410232195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 24 Oct 95

[FBIS Translated Excerpt] A meeting took place in New York this evening between Bosnian President Alija Izetbegovic, Croatian President Franjo Tudjman, and U.S. President Bill Clinton. Our reporter Envera Selimovic has more details about their talks:

[Selimovic] For us the issue of the Constitution is the main one, even more crucial than that of the maps; in other words, we want the status of Bosnia-Herzegovina as a sovereign state defined in an unambiguous way and its functions, such as finances, etc, clearly established. This will be our delegation's stand in any future negotiations.

[Begin Izetbegovic recording] We have asked the United States to (?preserve Bosnia-Herzegovina) as a state. This President Clinton endorsed very clearly. The other issue that was even more crucial in my decision to come to the United States was this talk with President Clinton, with President Tudjman in the presence of President Clinton. I said that the concept of the federation was not working. I spelled out the emerging problems. It seemed that when President Clinton began to speak that his message to the Croatian side was very clear: The concept of the federation, signed here in Washington, in America, must be implemented. I outlined the problems of, for instance, restrictions on movements in the areas under HVO [Croatian Defense Council] control. I explained the case of Jajce, which was liberated almost a month ago, but where only citizens of Croat nationality are allowed to return, while the Bosniaks, who were in the majority there, are not allowed to return under the pretext of safety not yet being adequate, etc. I noticed President Clinton reacting to this, and when he began to speak he said that this must be resolved absolutely, he appealed to the Croatian side, perhaps it was stronger than an appeal, to accept constructive negotiations in resolving these issues. He said that it was of vital importance for the U.S. attitude to both Croatia and the whole of the region to ensure that the problem of the federation was resolved, that the concept of the federation was implemented in a constructive way and in line with the Washington Agreement.

I said that a meeting had just ended in Madrid where the EU came up with two documents, one on the problem of Mostar and the other on the federation, but according to my information, no agreement was reached on either of these issues. I said that we accepted the proposals as presented by the European Union. I insisted on the Croatian side studying these documents and accepting them as a way of eliminating difficulties we were encountering on the road to implementing this project. [passage omitted] [end recording]

Addresses UN General Assembly

AU2410220895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 Oct 95

[Report by Envera Selimovic on a speech by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, at the UN General Assembly in New York on 24 October — recorded]

[FBIS Translated Text] The United Nations, whose anniversary we are celebrating today, has been a permanent source of our hopes and at the same time, a constant cause for our disappointments. Some say that the United Nations is the biggest and sometimes the most ineffective organism in human history. The number of unrealized resolutions speaks for this. Be it as it may, our organization probably mirrors the imperfections of our world. If a constant [word indistinct] of the world is not a futile task, then the future perfection of the United Nations is not only possible but necessary, Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, said.

Our foremost goal is to preserve peace. The United Nations has contributed to preventing a global conflict; however, it has proven less effective in stopping regional conflicts. The sum of the catastrophic consequences of the regional wars from the beginning of the United Nations until today equals the tragic balance sheet of this century's two world wars. The United Nations acted effectively in stopping the Gulf war. However, this efficacy did not repeat itself in the case of an aggression against my country. The price of hesitation was enormous and terrifying. This high price was paid by my people. I would like to repeat the words of the Georgian foreign minister who urged from this rostrum two days ago that we should have had the courage and the will to call an aggression an aggression and a genocide a genocide. As you know, courage or will, or sometimes the combination of both, have often been in short supply, President Izetbegovic said.

The talks on peace in Bosnia will commence in a few days. We are approaching this initiative by the United States and its President in the best belief and with many hopes. Our people need and want peace. We did not start the war, and even though we are winning, we have never dreamt of being a winner in a war. We have always worked for peace and we want to be the winners in peace. We would like to create a society based on political and ethnic pluralism, respect for human rights, and private enterprise. [Words indistinct] our ideas, we believe, [word indistinct] in a peaceful competition in the coming [word indistinct] years. Thanks to the clear predominance of our model of society and a state, we will win with God's help, the president of the Bosnia-Herzegovina Presidency said.

The Bosnian Government and the Army will not agree to a division and disintegration of the country, regardless of the packaging in which this might be offered. The division of Bosnia would lead to the continuation of the war, immediately or later. The truly democratic forces in Bosnia are a big if not the sole realistic chance for the ousting of criminals and nationalist fanatics who provoked the war and will continue to poison the relations between the people and nations from the leading political and military posts. In order not to miss this latest chance for democracy in the Balkans, we must safeguard the conditions, which are freedom and effective international supervision of elections. If the peace negotiations end successfully, what will follow will be the reconstruction of the area devastated by the war, primarily Bosnia. The international community is promising significant support for the reconstruction program. With regard to this, I would make a perhaps [word indistinct] suggestion. Make this aid conditional, send a clear signal that the side that does not observe the freedoms and human rights will not receive aid. State that these conditions must be strictly observed. Do not repeat mistakes in the hope that you can buy off or correct the criminals by new concessions. Then go one step further and isolate the criminals and the tyrants. This is the only way. The people who took nations on the road of crime must be removed. Without this, there can be no peace and security in Bosnia or in the region, President Izetbegovic said.

We would like, and it is our right, to reintegrate Bosnia, which has been divided not by the will of the people but by the force of arms. The Bosniak-Croatian Federation is an important step in this direction and all friends of Bosnia should support and assist this project. To achieve peace and furthermore maintain it, we must establish a balance of armament. This balance can be established on a higher or lower level. We favor the latter and demand a reduction in Serbian heavy arms. If the Serbs do not accept this, the only choice is to arm the Bosnian Army, which will, strengthened in this way, be a factor of peace and stability in the region. At present, nearly all of our towns are within reach of Serbian artillery. This artillery must be removed or destroyed. We cannot and we refuse to continue living under a constant threat, Izetbegovic said.

Finally, many speeches have been made in this hall over the past two days. We have heard beautiful and elevated words about democracy and freedom and everything that goes with it. Even some who have trampled on and continue to trample on the elementary rights of people and nations spoke about freedom. An old holy scripture says: Judge them by their deeds. Therefore, let us listen to what they say, but let us also ask them what they do. As soon as they return home, they will unfortunately continue in their old ways. It is up to us not to allow this, Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, said in his address to the UN General Assembly.

Meets With Iran's Velayati

AU2410190895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 Oct 95

[FBIS Translated Text] In the course of the day, President Izetbegovic met with 'Ali Akbar Velayati, foreign minister of the Islamic Republic of Iran. On this occasion, they examined the current military and political situation in the Republic of Bosnia-Herzegovina, as well as the long-announced arrival of the peacekeepers who will oversee the implementation of the peace plan. Minister Velayati once again reiterated the full support to the Bosnian people and the government of the Republic and the Federation of Bosnia-Herzegovina that the Republic of Iran has given to the just struggle of the Bosniaks since the beginning of the war, concerning which President Izetbegovic thanked him heartily.

Further Talks Held on Implementation of Federation

'Joint' Croatian-Bosnian Approach

AU2510103195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 25 Oct 95

[FBIS Translated Text] Muhamed Sacirbegovic, minister of foreign affairs of the Republic of Bosnia-Herzegovina, has met with Mate Granic, prime minister and minister of foreign affairs of the Republic of Croatia, in New York. The Republic of Croatia's Permanent Mission to the United Nations in New York has announced that it was pointed out during the talks that it is in the interest of both sides to support the implementation of the Federation and that it was agreed that the two states would coordinate preparations for a joint approach at the Ohio peace negotiations.

Bosnian Delegates on Madrid Meeting

LD2410231495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 24 Oct 95

[FBIS Translated Text] The two-day work of the Club of Friends of the Bosnia-Herzegovina Federation, in which the representatives of 25 countries as well as members of the international Contact Group and the Contact Group of the Islamic countries took part, ended in Madrid this evening. The Bosnia-Herzegovina delegation was led by Kresimir Zubak and Ejup Ganic, president and vice president of the federation. This is what Kresimir Zubak and Ejup Ganic told us this evening at the end of the two-day Madrid meeting:

[Begin recording] [Zubak] [passage indistinct]

[Ganic] The main reason why the federation has so far failed to come to life is because we do not have one government which operates authoritatively throughout the federation. As you know, where you have units of the Croatian Defense Council [HVO], there you have a government which Herzeg-Bosna has installed. It was agreed that with the installation of a strong federal government, the Herzeg-Bosna government should simply be extinguished. At the same time as a new federal government is installed, this government ceases to function. I am thinking of the authorities controlled by the HVO.

At the same time, the earlier approved timetables for the implementation of the cantonal and municipal structures have not been respected. It was agreed that international arbiters and mediators should be constantly involved so that they might ensure that what has not been done to implement the cantonal and municipal structure is carried out in line with the constitution of the federation.

At the same time we stressed that the competences of the republic should remain as before, especially the competences in the domain of protecting the integrity, sovereignty, and international legitimacy of Bosnia-Herzegovina as an internationally recognized state. Its authority should, of course, remain intact, but the federation government must take over responsibility for the economy and regulatory measures on the territory of the federation. [end recording]

Bosnian Prime Minister on Talks

BR2510131195 Madrid EL PAIS in Spanish
25 Oct 95 p 4

[Interview with Bosnian Prime Minister Haris Silajdzic by Juan Carlos Sanz in Madrid; date not given: "There Is No European Country Immune to Aggressive Nationalism"

[FBIS Translated Text] *Madrid — The 50-year-old Haris Silajdzic, head of the Sarajevo government, arrived exhausted at his Madrid hotel on Monday evening. In another skirmish in the diplomatic battle which he has been fighting from airport to airport following the cease-fire, the Bosnian prime minister has come to take part in a meeting in support of the tottering Bosnian-Croat Federation, sponsored by the United States.*

[Sanz] Is the Bosnian-Croat Federation a reality or does it exist only on paper?

[Silajdzic] The federation still has many problems, and I do not see that we have made much progress since the Washington accords (March 1994); if there were the political will, perhaps we could resolve them. We have a parliament, president, vice president; we have everything except a political system. That is what must be set under way now in order to make progress.

[Sanz] In Mostar, Croats and Muslims remain separated.

[Silajdzic] That is unfortunately so. There is an invisible Berlin Wall in the middle of the ruins of what was one of Bosnia-Herzegovina's most beautiful cities.

[Sanz] How are Bosnia's relations with Croatia now?

[Silajdzic] We have had very good military coordination over the past few months.

[Sanz] Toward the final aim of confederation with Croatia?

[Silajdzic] That possibility exists. Everything will depend on what happens in the peace negotiations, and, whatever happens, Bosnia will maintain its sovereignty within its current borders. If these conditions exist, any other agreement is possible.

[Sanz] What will Sarajevo have to cede in the negotiations?

[Silajdzic] Although the negotiation is about Bosnia, the international community knows that what is involved is not just Bosnia but overseeing the international order. An era in the defense of peace has ended in Bosnia, and we no longer have any rules of the game. Bosnia will be the new model.

[Sanz] Do you believe that the EU has come off badly in the Balkans conflict?

[Silajdzic] The EU has matured with Bosnia and Europe as a whole has learned a lesson. Bosnia revealed Europe's main weakness — its spiritual vacuum through excessive pragmatism. Bosnia is a bloody warning against nationalism and fascism.

[Sanz] Is the international assistance not sufficient for rebuilding?

[Silajdzic] I believe so. Bosnia should concern all of us. The deadly virus of aggressive nationalism is spreading, and there is no European country that is immune to it. European history is a bloody history. We should remember this and put an end once and for all to that mutant virus of Hitlerism and Stalinism. That is why we are dying in Bosnia, and there will be no rebuilding without free elections under the international community's supervision and with the participation of those who have been expelled from their homes. The contrary would be to legalize ethnic cleansing.

[Sanz] Now that peace can be glimpsed, do you insist on the lifting of the arms embargo?

[Silajdzic] That has nothing to do with peace, in the first place because we need give no explanation for exercising our legitimate right to self-defense, and, second, because the balance of forces brings peace. We have seen that the NATO air strikes which we were demanding have been useful and that a show of strength was necessary. The message should be clear: Whoever violates the international order — recognized borders and human rights — will be punished.

[Sanz] Territory and elections. Is that everything?

[Silajdzic] And a normal life. Let the children play in the parks again. We have lost 17,000 children in the war. That is enough. People view Bosnia as a poor country, but it is just a nation devastated by war. But it is something more — a multiethnic culture. A bridge, a meeting point with Mosques, Catholic and Orthodox churches, synagogues, and books published in five languages; that is what must be rebuilt.

Bosnian Serb Republic's Demands, Position

Foreign Minister Outlines Position

LD2510093195 Belgrade SRNA in Serbo-Croatian 0223 GMT 25 Oct 95

[FBIS Translated Text] Sarajevo, 24 Oct (SRNA) — Dr. Aleksa Buha, foreign minister of the [Bosnian] Serb Republic, stressed this evening that a priority task of the Serb delegation at the forthcoming negotiations in Ohio is protection of the Serb people's interests and the creation of a viable border with the Croats and Muslims in the former Bosnia-Herzegovina.

In a program on [Bosnian] Serb television devoted to the peace process, Minister Buha intimated that the Serb negotiators will firmly adhere to the standpoints approved at the last session of the the [Bosnian] Serb Republic Assembly.

Pointing out that there are certain priorities when it comes to forming a territorially compact and functional area, Dr. Buha added that prior to the talks in Ohio, standpoints still have to be coordinated on all issues with the Yugoslav section of the delegation.

The Serb foreign minister assessed that to a certain extent the most recent U.S. peace initiative has corrected past mistakes by the international community who, in resolving the crisis, maintained the principles of double standards, and for the first time this has given the Serbs the right to consensus and to self-determination.

"We still have a lot of diplomatic maneuvering to do because there is now understanding of our point of view. The West is taking a more objective view of the resolution of the crisis in former Bosnia-Herzegovina," Dr. Buha said.

Assessing that much has been done to create a Serb national state, Minister Buha concluded that in unfavorable circumstances the existence of a [Bosnian] Serb Republic has been confirmed, and it can be maintained in accordance with international law.

Serb Republic No 'Bystander'

LD2410233495 Belgrade SRNA in Serbo-Croatian 2220 GMT 24 Oct 95

[FBIS Translated Text] Sarajevo, 24 Oct (SRNA) — Momcilo Krajisnik, the president of the People's Assembly of the [Bosnian] Serb Republic, said today that the Serb delegation at the Ohio negotiations will remain consistent in its defense of the vital national interests — the state and its ability to survive economically and militarily.

"The platform adopted by the People's Assembly in Bijeljina is binding on the Serb negotiating team and we have a good case to present in Dayton," Krajisnik said in this evening's "Otvoreni Ekran" [Open Screen] program broadcast by Serb television.

Krajisnik said that "Serb interests are not up for auction, and no deals can be struck at any cost."

"The Serb Republic is the only Serb victory in this civil war. The capacity of its economy to function and the well-defined shape of its territory will be the priority for the Serb delegation in Ohio on 31 October," Krajisnik said.

He said that even though there was no doubting Serbian President Milosevic's good intentions, the Serb Republic's negotiating team will not be a mere bystander at the negotiations, and will use its moral right to influence the final decisions.

"We hope that this is the last stage in this war that was imposed on the Serbs. We have fought for freedom, democracy, and a state, and that is why I am an optimist before the conference in the United States," Krajisnik said in conclusion.

Goals of Serb Delegation

AU2410214195 Banja Luka Srpska Televizija in Serbo-Croatian 1930 GMT 24 Oct 95

[From Banja Luka Srpska Televizija "Dnevnik" newscast carried on Prijedor Radio Republike Srpske in Serbo-Croatian — no video available]

[FBIS Translated Text] We begin the "Dnevnik" newscast with a statement by Momcilo Krajisnik, head of our negotiating delegation that will travel to Ohio later this month.

[Krajisnik] I am very pleased with the way those decisions were made. Our basic view, perhaps a general one, is that, in future demarcations between the Croat-Muslim federation and the Serb Republic, our delegation must try to include as many traditional, historic, and ethnic Serb areas as possible and, for the sake of the existence of the Serb Republic, we must see that the percentage of the western parts and eastern parts of the Serb Republic be approximately the same percentage as at the time when we adopted the Geneva document, i.e. before the bombardment. Why is this important? Because that was a very realistic ratio that enabled our existence, while artificial changes came afterwards. With the help of NATO and rapid reaction forces, an aggression was committed against the major part of our territory, against the western part of our territory, during which we lost more than 12 Serb municipalities. We appointed a delegation, about which you have already been informed, so that our delegation will act together with the delegation of the FRY.

Demand Serb Sarajevo, Sea Access

AU2010215595 Paris AFP in English 2144 GMT 20 Oct 95

[Report by Edina Neretljak]

[FBIS Transcribed Excerpt] Sarajevo, Oct 20 (AFP) — The Bosnian government and the separatist Serbs are sticking to their territorial demands regarding the division of Bosnia in up-coming peace talks, officials of the two sides said Friday in separate statements. [passage omitted]

The US side has now proposed that a corridor linking Sarajevo to Gorazde and the corridor around Brcko, linking the northwestern and eastern Serb-held regions of Bosnia, be of the same size, a U.S. official told AFP earlier this week. [passage omitted]

The rebel Serb side however has asked that the corridor be widened. The request was repeated by Momcilo Krajisnik, speaker of the RS [Serb Republic — Serb-occupied areas of Bosnia-Herzegovina] parliament, in an interview to Bosnian Serb television Friday.

Speaking after a meeting with the Serbian President Slobodan Milosevic, Krajisnik said the Serbs would ask for "a wider corridor, access to the sea, a Serb Sarajevo, the return of Bosnian Krajina (in the west of the country) and a compact territory". [passage omitted]

'Full Independence' Remains Goal

LD2410195095 Belgrade SRNA in Serbo-Croatian 1820 GMT 24 Oct 95

[FBIS Translated Text] Banja Luka, 24 Oct (SRNA) — Biljana Plavsic, vice president of the [Bosnian] Serb republic, said today that the platform for the resumption of negotiations on the peaceful resolution of the conflict in former Bosnia-Herzegovina was adopted under pressure from the international community and that a fully independent state remains the Serb national goal.

"The section of the platform devoted to constitutional principles begins with a very important preamble, saying that the document was adopted under international pressure," Plavsic told SRNA.

"The full independence of the Serb republic remains our national goal; this is not the case with the union and and the partition of former Bosnia according to the 51:49 principle," she said, adding that the preamble gave the Serb republic the possibility of realizing its national goal in more favorable circumstances.

According to Plavsic, the Serb negotiating delegation has made a commitment to reject closer links with the Croat-Muslim federation, bearing in mind the basic principles adopted during the Geneva and New York talks.

"These principles allow the Serb republic to be as independent as it can be within a union. The Serb republic will enjoy all the rights granted to the Croat-Muslim federation, including the right to link up with neighboring states," Plavsic said.

She also mentioned the future joint institutions of the union and said that it will not be possible to adopt any significant decisions without the agreement of the [Bosnian] Serb republic.

Commenting on the section of the negotiating platform dealing with the most important territorial issues, Plavsic said that the Serb republic and the Croat-Muslim federation have a similar interest in securing natural borders and the compact shape of their territory.

"As far as other territories are concerned, the Muslims and the Croats must not be allowed to profit from the results of the genocide committed against the Serb people during World War II," Plavsic said in conclusion.

Status of Cease-Fire Implementation Reported

Serb Shots, Shelling in North

AU2410153595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 24 Oct 95

[FBIS Translated Text] Complying with the signed cease-fire agreement, the units of the Bosnia-Herzegovina Army on the Gradacac and the Posavina fronts have been carrying out the regular task of maintaining the newly achieved lines, reports the Army Press Center.

The enemy in the area in and around Sibovac on several occasions used small arms to fire at the defense lines, and fired several 20 mm shells from an antiaircraft gun from Donje Bare at the defense lines on the Gradacac front.

The aggressor's traffic has intensified along the Posavina corridor, in the vicinity of Gradacac, and along the Doboj-Josava road. There have been 25 enemy helicopter flights over the Posavina corridor from east to west, reports the Bosnia-Herzegovina Army Press Center.

UN Mediators' Role in Cease-Fire

AU2410215395 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 24 Oct 95

[Report by Dragan Stegic]

[FBIS Translated Excerpt] [Stegic] There is a new generation of recruits that will hopefully do their service in peace. Does Lieutenant General Momir Talic, commander of the 1st Krajina Corps, agree? He will also tell us whether the cease-fire is holding along the borders in the 1st Corps theater of operations. [passage omitted]

In the past couple of days, there have been several meetings with the enemy mediated by UN observers. Has any progress been made, and will similar meetings take place in the next couple of days?

[Talic] Those meetings mostly focused on the cease-fire. UN controllers, as I call them, were also involved. They were delegated to use their influence to prevent major cease-fire violations. They will continue to take part whenever asked or whenever they plan to do so. Furthermore, they set up hotlines so that the commanders could determine such violations directly along the separation lines and exert influence on violators.

[Stegic] What is your message to the troops now that the cease-fire is holding?

[Talic] The troops were given my message and orders, and they must carry them out. Our readiness will guarantee peace.

General: Cease-Fire 'Mostly Holding'

AU2410185695 Banja Luka Srpski Radio Network in Serbo-Croatian 1100 GMT 24 Oct 95

[FBIS Translated Excerpt] [Passage omitted] Another generation of young Serb Republic Army soldiers — ground troops, air force, and antiair defense — were sworn in today at the Zaluzani military barracks near Banja Luka. Lieutenant General Momir Talic, commander of the 1st Krajina Corps, Gen. Jovo Maric, on behalf of the Serb Republic Army General Staff, and Predrag Radic, president of the Banja Luka Municipal Assembly, attended the ceremony. We took the opportunity to ask Lt. Gen. Momir Talic, commander of the 1st Krajina Corps, to briefly comment on the cease-fire agreement in his theater of operations.

[Talic] Naturally, I, as commander of the corps, and all my soldiers want to end this four-year part of our history and start living normal lives and rebuilding our country, the Serb Republic. Regarding the cease-fire, it is mostly holding. There are minor provocations involving small arms, and occasional mortar or rifle grenades. Generally speaking, the cease-fire is holding, and the Ustasha-Muslim coalition is not active.

Muslim, Croat Violations Claimed

LD2410212895 Belgrade TANJUG in English 2106 GMT 24 Oct 95

["Pool" item]

[FBIS Transcribed Text] Banja Luka, Oct 24 (TANJUG) — The Republika Srpska (Bosnian Serb state) army command reported on Tuesday that Muslim forces had violated the ceasefire in northern Bosnia and Croat forces, in the valley of the Sava River.

The ceasefire was emplaced at 0001 local time on Oct. 12.

A statement released by the command said that Muslim forces had been opening fire from small arms on the sectors of the front in the areas of the towns of Doboj and Teslic.

The Croatian army was firing from anti-aircraft guns and small arms on the Orasje front, the statement said, and added that the army of the Republika Srpska had not returned fire.

Other parts of the Republika Srpska spent a quiet day.

Serb Republic Prime Minister on 'Upcoming Tasks'

AU2410185495 Banja Luka Srpski Radio Network in Serbo-Croatian 1100 GMT 24 Oct 95

[FBIS Translated Text] At its 55th session in Bijeljina, the Serb Republic National Assembly appointed Rajko Kasagic, president of the Banja Luka Municipal Assembly, as prime minister-designate of the Serb Republic [RS]. Talking about the upcoming tasks regarding the formation of a new government, Kasagic made the following statement for Serb Radio today:

[Kasagic] Looking at the way we worked together in the Executive Committee of the Banja Luka Municipal Assembly, I think that it will be enough to work like that. Just a few minor changes.... In Banja Luka Municipality, we completed as many as 99.59 percent of the cases per year. I primarily worked on the efficiency and quality of work. If we manage to work like that in the government of the Serb Republic, I will be satisfied. Of course, ministers must also work like that. They must put their heads together to develop the state and solve all problems. They must not hesitate to say that somebody is wrong. They must not hesitate to address the public and attack all phenomena that counter the interests of the state. In other words, we must proceed with extreme caution at every stage of developing relations in the interest of our state. Ministers who can do that will do that. Ministers who are not capable of creating a firm administration, an expert administration, will not be capable of doing that job. According to the constitution, the prime minister can relieve ministers of their duties at any time, but so far we have considered that tantamount to decapitation. Quite the contrary, that is a normal process and we must build that kind of society. Not decapitation, but looking for a better person for a particular position.

On Peace Process, Krajina

LD2410211495 Belgrade SRNA in Serbo-Croatian 1926 GMT 24 Oct 95

[FBIS Translated Text] Sarajevo, 24 Oct (SRNA) — Rajko Kasagic, the new prime minister of the [Bosnian] Serb Republic, warned today that his cabinet will not have room for those ministers who have not succeeded in creating an expert and effective administration.

"We cannot allow individuals to constantly usurp power in individual institutions, and for no one to request their replacement or responsibility for their failings," Kasagic said in a statement for [Bosnian] Serb radio.

According to him, one of the priority tasks the government, via the Defense Ministry, will try to realize in the period ahead will be the strengthening of cooperation with the military authorities for the purpose of strengthening the state's borders as well as revitalizing the economy.

"We will request that some older specialists leave the army so that we are ready for the heralded lifting of the blockade along the Drina and so that we can begin the country's economic recovery," the new Serb Republic prime minister clarified.

Commenting on the course of the peace process in the former Bosnia-Herzegovina, which in the assessment of many people is in a final phase, Kasagic assessed that the war would probably stop because the United States will nevertheless not have sufficient room to maneuver in the framework of dynamic international relations for its endless support for the Muslims and Croats.

However, he warned: "We will use the existing ceasefire to strengthen the army and set up mobile units that will be able to defend the borders of the Serb Republic if the things go in the opposite direction."

Kasagic said that during the peace negotiations in the United States, the Serbs would insist on the return of the occupied parts of [Bosnian] Krajina. He added that Serbian President Slobodan Milosevic had also promised to do the same.

Kasagic also mentioned the activities of the so-called pirate [Serb] radio stations in Krajina, which in his opinion, did not help in solving the accumulated problems in the state.

"Radio Krajina should not be attacking Nikola Kisina, a deputy who has three sons on the front, or Nedeljko Rasula [president of the municipality of Sanski Most in western Bosnia, recently captured by Muslim forces] whose son was killed while defending this state. This is being done by those whose sons are living in comfortable flats in Belgrade," Kasagic said in conclusion.

Serbian Civilian-Military 'Tension' Noted

AU2510105795 Belgrade NASA BORBA in Serbo-Croatian 24 Oct 95 p 8

[Report by D. Petrovic, N. Todorovic: "Vatican Bothers Generals"]

[FBIS Translated Text] The streets without refugees and military convoys create the impression these days that the situation in Banja Luka is relatively quiet. However, beyond that first impression there is obvious nervousness over the extreme tension between the military and political leadership of the Serb Republic.

The five top ranking officers, whose dismissal was sought by the Serb Republic Assembly at the recent session in Banja Luka, are still in their jobs, and — to judge by the views of the main headquarters — that is the way it is going to stay.

We found one of the "dismissed" men, Lieutenant Colonel Milan Milutinovic, in the press center of the 1st Krajina Corps. Milutinovic, who is well known for his very critical texts in SRPSKI VOJNIK magazine, is still head of the information service of the Serb Republic Army Main Headquarters, as we have found out from military sources. We have also learned that the other four top ranking officers, recently retired by the assembly, are also back in their posts.

There has been no official statement by the military leadership. Only unofficial commentaries are available, with the strict stipulation that their authors remain unnamed. We have thus learned that the conflict between Karadzic and Mladic (which escalated in public at the April session of the assembly in Sanski Most) reached the point of no return after Karadzic's negotiations with the Vatican, about which the army had not been informed.

The army sources are "passing on" the responsibility for the fall of the towns onto Pale. According to them, the following was the method: Pale orders the civilian authorities in a town to evacuate the population. The soldiers and their families follow, and the town is lost.

The conflict between the military and the civilian authorities has also been given a political-media dimension. Some 20 days ago Radio Krajina started broadcasting its own program, thus violating the decision by the Information Ministry that all radio and TV stations should be placed under state control. We have been told by the military sources that it is the army with "its equipment and people" that is behind Radio Krajina. The program is apparently broadcast "from a vehicle in the woods." The slogan of the station is "Krajina, raise your head," and "The voice of the people, the truth, and trust."

The station regularly broadcasts programs in which the opposition to Pale has a say. Some of the favorite guests of the station are Grahovac, the candidate of the Krajina and "independent" deputies for prime minister, and [Banja Luka] mayor Radic. The program is opened to the listeners, who — as we have noticed — support the idea of a protest meeting. A lot of air time is given to "the Patriotic Front," which gathers political parties from the Socialist Party of Serbia to the Serbian Radical Party, even the League of Communists-Movement for Yugoslavia, as well as various organizations, from veterans' to private entrepreneurs. The day before the assembly session in Bijeljina, the front sent a message to Karadzic, demanding that the powers of the assembly be transferred to a government of national unity, whose prime minister would be "a person that enjoys the respect of all political subjects."

The state, it seems, could strike back at the media activities of the army. On the same day when the proclamation of "the Patriotic Front" was broadcast, the interior minister stated that dangerous forces were gathering around Radio Krajina. We, however, were told by Radio Krajina that even members of the police had called their live program, expressing their support for it, and distancing themselves from their leadership. The army leadership says that the tensions in relations with Pale will not be reduced easily, if at all. This seems to be the greatest certainty in all the developments in the Bosnian Krajina.

RS President Congratulates Serb 'Volunteers'

AU2510112295 Banja Luka Srpska Televizija in Serbo-Croatian 1930 GMT 24 Oct 95

[Broadcast by Prijedor Radio Republike Srpske — video not available]

[FBIS Translated Text] While peace is finally closer to the territory of former Bosnia-Herzegovina, Serb volunteers are coming back home from the front. After successful actions in western parts of the Serb Republic, yesterday afternoon in Bijeljina, [Bosnian] Serb Republic [RS] President Radovan Karadzic reviewed units of the Serb Volunteer Guard [paramilitary unit led by Zeljko Raznjatovic Arkan]. President Karadzic thanked the Tigers for helping their brothers defend their centuries-old homes during the latest Croat-Muslim aggression against our homeland.

[Begin recording] [Karadzic] I would like to express my gratitude to the guard and to you, as its commander. I thank you from the bottom of my heart and congratulate you. I hope we will be meeting in peace. There will always be a place for you in the hearts of people you defended and managed to defend. Thank you.

[Unidentified respondent] Mr. President, on behalf of the Serb Volunteer Guard, I would like to say two things: We are ready and will come back whenever you call us to defend our centuries-old homes, women and children, Serb territories, and our Orthodox religion. Thank you, Mr. President. [end recording]

Members of the Serb Volunteer Guard proudly left the Serb Republic and Bijeljina where they were given a hearty sendoff. They all said they hoped to meet again but in a free country and in peace.

Preparations for Abdic's Extradition 'Under Way'

AU2510100995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 24 Oct 95

[Report by Nada al-Issa from Zagreb, including recorded interview with Bosnia-Herzegovina Ambassador to Croatia Kasim Trnka made in Zagreb on 24 October]

[FBIS Translated Text] [Al-Issa] All the conditions exist for people to return to Velika Kladusa. This is well known already. There is no other solution, since the Republic of Croatia does not want the so-called refugees from Kladusa. No third country wants them, either. Their return is safe. The federal police have already introduced order and peace in Kladusa and joint mixed police forces will be formed soon by the Republic and Federation of Bosnia-Herzegovina, the Republic of Croatia, and Turkey. Agreement on this was reached in New York yesterday.

Based on this, the army and police of the Republic of Croatia have today started to disarm the remnants of Fikret Abdic's paramilitary formations in Kuplensko near Vojnic. As for the mixed police forces, Bosnia-Herzegovina Ambassador to Croatia Kasim Trnka says:

[Trnka] The agreement was signed on this in New York yesterday between the foreign ministers of the three countries in the presence of the three presidents. These forces will operate on the territory of Velika Kladusa and the surrounding communes, where most of the refugees come from. These police forces will be mandated to prevent possible incidents, protect the people and their property, and thus contribute to confidence building and the return of these refugees.

On the other hand, the Croatian authorities should — and they have already started doing this — disarm a number of people who have kept their weapons and are now in Kuplensko.

[Al-Issa] I wanted to ask you about that. According to my information, there are about 400 armed Abdic men there.

[Trnka] We do not have precise information. The special police forces are working on that now, on disarming them. However, it is not only disarming but also other violations of public order, various smuggling, and other things. Croatia is determined to put a stop to this. On the other hand, the Croatian police will of course cooperate with the Bosnia-Herzegovina authorities on their return. I have to add that almost 5,000 people have already returned to Velika Kladusa, despite the great obstructions and pressure that they were facing not to return. They are trickling back. I hope that this process will be speeded up, since the international community has also shown an interest in helping their return.

[Al-Issa] As we know, the Assembly of the Republic of Bosnia-Herzegovina has recently decided to ask the Republic of Croatia for the extradition of war criminal Fikret Abdic, who caused this unnecessary exodus of the Velika Kladusa people. As we were told by Ambassador Kasim Trnka, the preparations are under way for the procedure of extraditing Fikret Abdic to Bosnia-Herzegovina.

Bosnian Croats' Croatian Voting Rights Protested

AU2410125595 Paris AFP in English 1152 GMT 24 Oct 95

[Report by Peter Cunliffe-Jones]

[FBIS Transcribed Text] Zagreb, Oct 24 (AFP) — A Croatian government decision to give hundreds of thousands of Bosnian Croats the vote in parliamentary elections due here on Sunday [29 October] has raised political protests in Croatia and fears in Bosnia of a backdoor annexation.

The Croatian government announced last week that its embassy in Sarajevo was setting up polling stations in Bosnia for the hundreds of thousands of Bosnian Croats there with dual Bosnian-Croatian nationality.

Bosnia on Sunday protested at the move.

The Bosnian Presidency said Sarajevo agreed that Croatians who "happen to live in Bosnia as foreigners" should be allowed the vote in Croatia but Bosnian Croats should only be allowed to vote in Bosnia.

In an angry statement, the Bosnian authorities expressed "indignation over such treatment of our state by the Republic of Croatia", which they said "could have a very negative political impact" on strained relations between the two neighbours.

There are an estimated four million ethnic Croats living abroad — almost as many as the 4.8 million Croatians who live in the country — and according to official figures, there are some 450,000 inscribed on the electoral rolls to vote for 12 guaranteed places in the new 127-member parliament.

According to a recent report from a U.S.-based democracy group, the National Democratic Institute (NDI), as many as 300,000 Croats could go to the polls Sunday at 29 polling stations set up in the west of the country in areas controlled in Bosnia by either Croatian or Bosnian Croat forces.

The Croatian opposition Monday protested against the decision to give Bosnian Croats a vote which the opposition, already expected to lose heavily in the first polls since military action this summer, fears will benefit the ruling party.

In a joint statement, Croatian opposition parties Monday said the use of polling stations in Bosnia was against the Croatian constitution, under which Croatians living abroad can only use embassies and consultates to vote.

"The diaspora has already chosen who it is going to vote for because (Croatian President Franjo) 'Papa Tudjman' is the father of the nation," Antun Vrdoljak, Zagreb boss of the ruling Croatian Democratic Union (HDZ) said.

The Croats living outside Croatia are generally seen as ultranationalistic and expected to vote for the ruling Croatian Democratic Union (HDZ) of President Franjo Tudjman.

The NDI criticised the decision to give the vote to Bosnian Croats living in Bosnia and said the move to reserve them almost 10 percent of the seats in the parliament was unprecedented worldwide, even among countries with large disapora populations such as Israel or Ireland.

"It's a conjuring trick the HDZ is using to make sure it wins," Chris Cviic a British commentator of Croat-origin told the last issue of the satirical weekly FERAL TRIBUNE.

In the last parliament, the HDZ held 85 of the 138 seats in the Chamber of Deputies and Tudjman wants to boost the HDZ majority to two thirds — 85 seats in the new 127-member chamber.

This would then give him free rein to change the constitution, without needing to run a referendum, "to create a confederation with part of Bosnia" occupied at present by the Bosnian Croats.

This would threaten the current Croat-Moslem Federation, created in Washington in 1994, and raise violent protests from Sarajevo.

"Croatia's interests — economic, political, historical interests — lie at the moment in having a stable Bosnia, a stable border. A takeover would not produce what it wants," a well-informed Western diplomat told AFP last week.

"Tudjman is part dreamer, but he is a realist as well."

This does not mean that, however, that annexation could not take place in the future. Just three months after reaching a military agreement in Split for the Croatian army to enter Bosnia to force back Bosnian Serbs, Croatian-Bosnian relations have recently deteriorated on a series of fronts.

"If the Federation does not work out, if there is Croat-Moslem fighting, then perhaps that (the current cooperation) might change," the diplomat said.

Dual Nationals Urged To Abstain

AU2410170095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 24 Oct 95

[Report on news conference by the Croatian Party of Right in Bosnia-Herzegovina by Samir Huseinovic in Sarajevo on 24 October — recorded]

[FBIS Translated Text] The Croatian Party of Right [in Bosnia- Herzegovina] considers the Republic of Bosnia-Herzegovina indivisible within its internationally recognized borders, and sees any division of the country as an action contrary to the state and international law. Such a peace solution was reached under the duress of the self-styled peace mediators who embraced changes of the borders brought about through aggression.

Zvonimir Spokojic, secretary general of the Croatian Party of Right, emphasized that, once again, the greater Serbs will only honor the cease-fire when they have consolidated their ranks, integrated the conquered territories, and prepared for the continuation of the war of conquest. The division of Bosnia-Herzegovina into two entities will not [word indistinct] reintegration but disintegration and its disappearance as a state. In light of this, the Croatian Party of Right states that nobody is authorized to sign any sort of an agreement on Bosnia's division.

The citizens should take a stance toward the questions of such importance at a referendum. If this precedent is nevertheless made, the Croatian Party of Right will continue the battle for the integrity of the state of Bosnia-Herzegovina with all democratic means. Furthermore, the Croatian Party of Right, Zvonimir Spokojic emphasizes, will advocate that the integral Bosnia-Herzegovina realizes a confederation with the integral Republic of Croatia and that, together, they enter into the community of western European nations.

At the press conference, the party also released a statement for the public that emphasizes that the Croatian Party of Right considers the electoral law of the Republic of Croatia unsuitable and contrary to the legislation of the Republic of Croatia and the Republic and the Federation of Bosnia-Herzegovina. Dual citizenship of the residents in the Republic of Bosnia-Herzegovina and the Republic of Croatia is useful and desired, however, in matters concerning elections, the citizens with dual citizenship should only elect representatives for the offices of the country in which they reside permanently and by whose decisions they will be affected.

For that reason, the Croatian Party of Right in Bosnia-Herzegovina calls on the Bosnia-Herzegovina citizens with dual citizenship who have permanent residence in Bosnia-Herzegovina not to take part in the elections for the Croatian Sabor.

Participation in Election Questioned

LD2510113595 Belgrade TANJUG in English 1116 GMT 25 Oct 95

["Pool" item by Nikola Stanojevic]

[FBIS Transcribed Text] Zagreb, Oct. 25 (TANJUG) — Bosnian Croats' participation in Croatia's parliamentary elections on Sunday is interpreted as another step to its annexation of the Bosnian Croat Republic of Herzeg-Bosnia.

As a result, the alliance, built by the Croatian President Franjo Tudjman regime and Bosnian Moslem leaders to fight against the Serbs, will be shaken in its very foundations.

The Sarajevo Moslem government protested with Zagreb on Sunday about what it desribed as an absurdity in terms of international law — namely, that officials of one state, Herzeg-Bosnia, should try to win seats in a parliament of another state, Croatia.

Bosnian Moslem leaders warned the Zagreb government that such a move could have undesirable political effects.

Bosnian Moslem media, however, are much more explicit about the matter, saying that Zagreb has annexed parts of Bosnia-Herzegovina through this parliamentary move.

Some Zagreb politicists, who hold a similar view on the matter, say the move cannot be described as the building of a parliamentary bridge between Croatia and the diaspora as Tudjman is trying to do.

On the contrary, it is a way of making official the link between Croatia and Herzeg-Bosnia and introducing the latter into the Croatian parliament, they say.

President of Istria's (peninsula in the northern Adriatic) Democratic Alliance Ivan Jakovcic has long before Bosnian Moslems realised that Zagreb is trying to carry out "quiet" annexation of Herzeg-Bosnia through the parliamentary move.

The electoral list of the ruling Croatian Democratic Union contains also the name of Herzeg-Bosnia Defence Minister Vladimir Sosljic as well as the names of a number of other Herczg-Bosnia officials.

The latest rift between Zagreb and Bosnian Moslem leaders is yet another proof of fragile relations between the allies who are all for the federation in Bosnia-Herzegovina in the presence of Western patrons, while behind their backs they follow their separate policies.

Tudjman Attends UN, Talks With Clinton

LD2410220995 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 24 Oct 95

[FBIS Translated Excerpt] Croatian President Dr. Franjo Tudjman ended his attendance at the celebrations of the 50th UN anniversary with tripartite talks between himself and the presidents of Bosnia-Herzegovina and the United States. Here is a dispatch from New York by Tihomir Vinkovic:

[Vinkovic] [passage omitted] After his talks with Clinton and Izetbegovic, President Tudjman told Croatian journalists the following:

[Begin Tudjman recording] In these talks today we heard the U.S. intention that these talks should lead to success. For our part we set out our views, namely that we believe it would be in the interest not only of the sides involved indirectly in the war but also in the interests of peace [sentence as heard]. Europe, the United States, and the main international factors should find solutions in the framework of these talks and, if necessary, they should impose peace on those who do not want to accept it.

As regards Bosnia, I repeated to President Clinton and the U.S. delegation that, as far as Croatia is concerned—despite the demands of the Croatian public and (?120,000) displaced persons—we should accelerate the liberation of eastern Croatia, western Srem and Baranja, with Vukovar, as the symbol of Croatian suffering and Croatian resistance. We have put on hold all other actions for as long as the peace talks last. We want to achieve a peaceful solution whether in direct talks with the local Serbs or in the framework of talks that will take place in Ohio.

The U.S. [word indistinct], and especially President Clinton, showed full understanding for such a point of view. Naturally, I repeated the Croatian viewpoint that if these talks to achieve a peaceful solution fail to bear fruit, we would have to take other steps. [end recording]

Of his stay in New York to celebrate the 50th UN anniversary, President Tudjman, who apart from making a speech to the General Assembly also had a series of bilateral meetings, stated it was of historic significance.

'Differences With Izetbegovic'

LD2410234995 Zagreb HTV Television in Serbo-Croatian 2240 GMT 24 Oct 95

[Remarks by Croatian President Franjo Tudjman to unidentified journalists in New York on 24 October—recorded]

[FBIS Translated Text] [Tudjman] In these talks today we heard the U.S. intention that these talks should lead to success. For our part we set out our views, namely that we believe it would be in the interest not only of the sides involved indirectly in the war but also in the interests of peace [sentence as heard]. Europe, the United States, and the main international factors should find solutions in the framework of these talks and, if necessary, they should impose peace on those who do not want to accept it.

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The U.S. [word indistinct], and especially President Clinton, showed full understanding for such a point of view. Naturally, I repeated the Croatian viewpoint that if these talks to achieve a peaceful solution fail to bear fruit, we would have to take other steps.

[Correspondent] Are the standpoints of Croatia and Bosnia-Herzegovina on the peaceful solutions, in other words the overall package, very close, or are there some differences, perhaps?

[Tudjman] I believe that there are some common viewpoints but there are also significant differences. This was clear from the speech by Mr. Izetbegovic, who spoke about certain difficulties in breathing life into the federation. I replied to him that it was nevertheless vital that after the Washington Agreements and the agreement on the federation there was a cessation of hostilities between the Croat and Muslim peoples, which was not the case in the examples of the Palestinians and Jews or in Northern Ireland, where the talks have been going on for years and agreements are (?reached) but where hostilities are continuing in some form and where there are casualties. So this is nevertheless vital for an assessment of what we have achieved so far in the wake of the Washington Agreements in our desire to create the federation.

Regarding our problems, I said I did not want to discuss them in this body because this is a problem for the representatives of the Muslim and Croat peoples in Bosnia-Herzegovina itself, and I pointed to the fact that it was very significant that Mr. Izetbegovic's delegation did not contain the president of the Bosnia-Herzegovina federation—there were no Croats in it. I did not want to talk about the details. I believe they should be resolved in the interests of both peoples and in the interest of peace.

Tudjman Returns From New York

LD2510091995 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 25 Oct 95

[Report by correspondent Drazen Korda from Zagreb Airport]

[FBIS Translated Text] At about 0800, Dr. Franjo Tudjman, president of the Republic of Croatia, arrived in Zagreb from New York, where, with other world statesmen, he participated in the celebrations to mark the 50th anniversary of the United Nations. On arrival at Zagreb airport, President Tudjman said, in a brief statement to journalists:

[Begin Tudjman recording] It is nice to carry out the affairs of state, but it is nicer still to return to the homeland. The visit was very successful, in view of the talks in the framework of the United Nations and especially in view of the bilateral meeting with President Clinton. [end recording]

Accompanying the Croatian president on the return journey from New York were Croatian Foreign Minister Mate Granic and Miomir Zuzul, Croatia's UN representative in Geneva. The most senior state officials were present at the welcoming ceremony at the airport for the president of the republic: Parliament Speaker Nedeljko Mihanovic, Prime Minister Nikica Valentic, State Seal Keeper Ivan Milas, Defense Minister Gojko Susak, Interior Minister Ivan Jarnjak, and Corps General Zvonimir Cervenko.

Talks With Serbs Over E. Slavonia Show Progress

AU2510112495 Paris AFP in English 1025 GMT 25 Oct 95

[FBIS Transcribed Excerpt] Zagreb, Oct 25 (AFP)—Croatian and Serb negotiators met for talks Wednesday [25 October] aimed at averting military action over the last strip of Croatian land held by rebel Serbs, US officials brokering the talks said.

The talks resumed at Erdut in Serb-held Eastern Slavonia at 10:00 a.m. (0900 GMT) two days after a meeting on the Croatian side of the frontline in the eastern Croatian town of Osijek.

US ambassador Peter Galbraith said after that meeting that the Croatians and Serbs had made progress on settling peaceably the dispute over land seized by the Serbs during the Serb-Croat war in 1991.

The talks had been "productive and constructive" Galbraith said and Croatian negotiator Hrvoje Sarinic, a close aide of President Franjo Tudjman, said the most important step forward was that the Serb delegation had accepted the principle of a "peaceful reintegration" into Croatian territory, while disagreeing over the timetable.

Sources close to the talks in Osijek said the Croatians had demanded a delay of no more than 60 days after the signing of any accord, after which the Serb militias would leave and the Croatian troops take the area while the Serb side has demanded a delay of five years. [passage omitted]

Suspected Serbian Spies Detained in Zagreb

LD2410192095 Zagreb HTV Television in Serbo-Croatian 1830 GMT 24 Oct 95

[FBIS Translated Excerpt] A total of 14 people have been detained [privedeno] in the Zagreb military court on the justified suspicion that they were spying for the Serbian counterintelligence service [as heard], Deputy Interior Minister Smiljan Reljic has told journalists.

[Correspondent] The service for the protection of the constitutional system and the bureau for national security yesterday handed over criminal charges against 15 people suspected of spying for Serbian intelligence services to the Zagreb military court. Fourteen of them have already been detained, while one person is out of reach of state bodies. [passage omitted]

Army Begins To Disarm Abdic Supporters Near Vojnic

AU2410191495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 Oct 95

[FBIS Translated Text] The Croatian military and police forces have begun to disarm the remainder of the paramilitary formation of Fikret Abdic, who mixed with the Velika Kladusa refugees, in Kaplensko near Vojnic this morning, Kasim Trnka, ambassador of the Republic of Bosnia-Herzegovina to Croatia, said.

It is presumed that there are approximately 400 armed men among the Velika Kladusa refugees. The purpose of their disarmament is to facilitate the return of refugees to Velika Kladusa. Namely, it is precisely these people who have stalled the return with their arms.

According to official data, some 5,000 refugees have returned to Velika Kladusa and the nearby villages so far. It is believed that the (?majority of them) would have returned already had they not been prevented by the armed leftovers of Abdic's paramilitary formation.

Commentary Warns Against B-H Opposition 'Tricks'

AU2510112695 Zagreb OBZOR in Serbo-Croatian 16 October 95 p 33

[Commentary by Goran Rosic: "The Opposition in Disguise"]

[FBIS Translated Text] In an interview for Belgrade VECERNJE NOVOSTI (25 September), self-proclaimed opposition leader from Pale Milorad Dodik directly blamed Karadzic for the loss of Kupres, Glamoc, Bosansko Grahovo, Drvar, and a part of the Bosnian Krajina. Furthermore, Dodik claims that Pale is responsible for the NATO airstrikes and protracted shelling of the Serb-held part of Sarajevo by the Rapid Reaction Force [RRF]. Therefore, he demands that all those in the Pale leadership who, in his opinion, have brought into question the very existence of the so-called Serb Republic [Serb-held entity in Bosnia-Herzegovina] as a state should be held accountable and he seeks protection, in the event of further territorial losses, from Serbia and Slobodan Milosevic (this brotherly help was soon dispatched in the form of Arkan's [Zeljko Raznatovic] or Seselj's [Serbian Radical Party leader] well-armed guard, the White Eagles, and other hirelings of the Serbian regime.

Fed Up With the War

Only a day before (on 24 September), in the British SUNDAY TELEGRAPH Muhamed Filipovic, Bosnia-Herzegovina ambassador to London, confirmed that a week earlier the Bosnia-Herzegovina Government had held secret negotiations with representatives of the civilian authorities of Banja Luka (on 25 May this year the majority of them held talks in Peruga with several representatives of the parliamentary opposition of Bosnia-Herzegovina—the Union of Bosnia-Herzegovina Social Democrats [UBHSD] and the Serb Civil Council [SGV]—and the conclusion from the meeting was that the former SFRY was the optimal concept of living!), who are at the same time Karadzic's opponents. On that occasion it was determined that in Banja Luka there are some 15 associations of citizens who are fed up with the war (where were those pacifists over the past three and a half years when the horrific genocide was being committed in the entire region of Banja Luka?), the largest of them certainly the Popular Front of the Serb People. There is no information yet about the content and results of those negotiations. However, as it was precisely at that time that Sarajevo issued an ultimatum demanding the demilitarization of Banja Luka as one of the conditions for Sarajevo's participation in the peace process (withdrawn shortly afterward), one can assume that the negotiations dealt predominantly with that issue. On the other hand, Dodik's interview implies that the negotiations were a complete failure and that the so-called opposition is essentially not significantly different from Karadzic (they still refer to their parastate as an entity that ought to be defended by any means, including with aid from Serbia and the Yugoslav Army) and that its major consideration is to win power. In view of that, the negotiations can be regarded as yet another failed attempt to find a peaceful settlement of the Bosnian drama.

However, certain other events happening at the time put a completely different gloss on the negotiations. It was at that time that the anti-Croat campaign in the majority of anti-Croat world media was launched. There were allegations of mass atrocities committed against Serb civilians in the former Serb-occupied regions, devastation, looting, and so forth. The remains of Karadzic's information system (much of it having been destroyed by NATO's resolve) joyfully welcomed such negative international propaganda against Croatia, which the majority of the Serb media ran in prime time broadcasts, at the same time playing down the chaos in their own army and the losses of territory that the Serbs were sustaining on a daily basis. Furthermore, with the first reports from the world media (THE GUARDIAN, THE NEW YORK TIMES, Radio France International, VOA, and so forth) on certain disagreements between the Croats and the Bosniak Muslims regarding the establishment of civilian authorities in the newly liberated regions in the west and southwest of Bosnia-Herzegovina, they started to broadcast on a daily basis a number of false reports (it is interesting that those reports ceased overnight when on 8 October the Bosnia-Herzegovina Army asked the Croatian Defense Council for help and when Mrkonjic Grad was liberated) on scenes of would-be conflicts, numbers of casualties, and suchlike. The thrust of all those reports and commentaries was that the partners in the Federation of Bosnia-Herzegovina were not able to live together.

The Goal: To Sow Suspicion

On the other hand, the majority of the Sarajevo media are incessantly making allegations against the the Croatian community of Herzeg-Bosnia, Croatia, and President

Tudjman. Editorials and commentaries of OSLOBODJENJE, DNEVNI AVAZ and SLOBODNA BOSNA claim that President Tudjman has finally succeeded in his intention to divide Bosnia-Herzegovina together with Slobodan Milosevic and to add a part of Bosnia-Herzegovina to a greater Croatia. The authorities of Herzeg-Bosnia are being criticized over the decision that Jajce, Sipovo, and Drvar should be placed under the jurisdiction of the civilian authorities of Herzeg-Bosnia (nobody wants to point out, however, that it is just a temporary arrangement before the final one is reached for all of Bosnia-Herzegovina, which has been agreed upon at the highest level of state authority). The opposition and certain radical elements in the Party of Democratic Action [SDA] are struggling with all their force to destabilize the government (and remove Foreign Minister Sacirbegovic) and thus to create the conditions for the implementation of their diverse and irreconcilable interests and political goals (an integral civil state is supported by part of the SDA, the Liberal Bosniak Organization, and the Muslim Bosniak Organization; any kind of Bosnia-Herzegovina but principally Islamic is supported by another part of the SDA; a federal Bosnia-Herzegovina is supported by the SGV; Bosnia-Herzegovina as part of some new association is supported by the UBHSD, and so forth). It is significant that in public there has been least talk about the Federation of Bosnia-Herzegovina. The intelligentsia (led by the contentious Council of the Congress of Bosniak Intellectuals) instigates hate equally toward Croats and Serbs. As all Sarajevo's high officials, despite some disagreements, openly support the Federation of Bosnia-Herzegovina, then it is not difficult to conclude that by such processes it is being attempted to disrupt at any price the current joint efforts to liberate Bosnia-Herzegovina and the harn won trust between the Croats and Bosniaks.

All this suggests that there are still forces, despite their different goals, which consider the Federation of Bosnia-Herzegovina and the joint struggle of the Bosniak Muslims and Croats for survival in Bosnia-Herzegovina to be the first obstacle to their destabilizing intentions and activities. Therefore the negotiations with the so-called Pale opposition should be viewed in that context because when they were held was not randomly chosen. Obviously, the goal was to sow suspicion and distrust among the partners in the Federation of Bosnia-Herzegovina. Although the cooperation and meetings between Tudjman and Izetbegovic, Zubak and Granic, and Granic and Sacirbegovic guarantee the further strengthening of the Federation, the forces which oppose it must not be underestimated. We can expect from them nothing but new tricks.

Commentary Profiles Parties, Previews Election

AU2410122595 Rijeka NOVI LIST in Serbo-Croatian 13 Oct 95 pp 16-17

[Commentary by Sanja Modric: "The Loyal and Obedient Remained on the Croatian Democratic Community's List"]

[FBIS Translated Text] Someone recently said that if dinosaurs, little green men, Bonnie and Clyde, or Mary Poppins appeared in Croatia now, no one would care. In the fever of the forthcoming "settling of accounts" through the ballot box, the holes in the sieve of public interest have become smaller and hardly anything not to do with the elections can be seen in the press or heard in the gossip. The news now is all who has united with whom, who is playing whom down, why such and such is on the party lists and such and such not, how cunning one or the other is, what surprises we have experienced, and how it will all end.

The combinations and variations of the structure of the future authorities are multiplied by the fact that as many as 14 party lists, that is, coalition lists, are involved in this election, each consisting of 80 names, while as many as six, seven, eight, or even nine candidates appear in each of the 28 constituencies. This unexpected number reveals that a huge surfeit of people, with completely unfounded hopes, are also going to "participate" in this proportional representation election. The thresholds of 5 percent for independent party lists, 7 for two-member, and 11 for three-member and larger coalitions are an insuperable barrier even for some parties that are well known to the voters and have been in parliament. Nevertheless, certain parties that no one has heard of or can be identified only by the names on their lists have also presumed to present lists. Among these pathological optimists, who will certainly not even get near parliament, are the Croatian Conservative Party [Hrvatska Konzervativna Stranka] and the main candidate on their list, Anto Ozretic from Split, the Homeland Civic Party [Domovinska Gradjanska Stranka] and Drago Mintas from Zagreb, the Independent Party of Right [Nezavisna Stranka Prava] and their number one man, Zvonimir Kramaric from Varazdin, as well as the minor, though somewhat better known Croatian Christian Democratic Party [Hrvatska Krscansko-Demokratska Stranka] with Ivan Keglevic from Zagreb, and the Croatian Party of Natural Law [Hrvatska Stranka Naravnog Zakona] with Ivan Kulic.

Who Is (Not) Going To Get Into Parliament?

According to the same pattern of hypertrophied optimism, we also find Hrvoje Sosic's Croatian Party [Hrvatska Stranka], the Istrian Independent Party

[Istarska Nezavisna Stranka], the Croatian Liberation Movement [Hrvatski Oslobodilacki Pokret], the Croatian Democratic Peasant Party [Hrvatska Demokratska Seljacka Stranka], the Croatian National Movement [Hrvatski Narodni Pokret], and as many as 23 independent candidates, the only ones familiar to the broad public being Dr. Zvonimir Separovic, who is a candidate in the Dubrovnik constituency, and Zvonimir Trusic, who is a candidate in Zagreb's constituency number 27.

According to the opinion polls, many of which are not very reliable, seats in parliament could easily slip away from Paraga's Croatian Party of Right 1861 [Hrvatska Stranka Prava 1861, HSP 1861], the Social Democratic Union [Socijalno Demokratska Unija, SDU] whose list is headed by Vladimir Bebic, and Tripalo's Action of Social Democrats ts of Croatia [Akcija Socijaldemokrata Hrvatske, ASH]. Some say that certain parties should be ruled out of the division of the electoral spoils in advance, such as Mesic's Croatian Independent Democrats [HND], or Racan's Social Democrats [Social Democratic Party, SDP], and so on, but there are other predictions that state quite the opposite. Cacic's Croatian National Party [HNS], the enterprising Istrian Democratic Congress [IDS], and the well balanced Croatian Peasant Party [HSS], who have united to form a joint state list and have accepted Veselica's Croatian Christian Democratic Union [HKDU] and the Slavonian regionals gathered in the Slavonia-Baranja Croatian Party [SBSH], are two political forces that would certainly not get into parliament individually. A similar attempt is being made at saving Dalmatian Action [DA], which has several members on the ASH list.

"Surplus Votes" to the HDZ or....

Be that as it may, with the current electoral rules of the Croatian Democratic Community's [HDZ] Smiljko Sokol [special presidential advisor for legal affairs], who is 29th on the HDZ state list, the rules of the "good horse" apply to the HDZ state list, to Budisa's Croatian Social Liberal Party [HSLS], the HSS, HNS, IDS, HKDU, and SBSH coalition, to a certain extent to Djapic's Croatian Party of Right [HSP], and the SDP. According to all the forecasts, these parties are going to cross the thresholds and win seats. The voters of all those parties that do not reach the thresholds will reluctantly transfer their votes to others. Their votes will, as an electoral "surplus," end up in a bag, from which they will be redistributed to the successful parties in proportion to their results. Since there will be 14 state lists in the election, among which there are only five favorites, the "excess votes" may, in the final analysis, outnumber those for the parties that directly win seats in parliament, which means that the HDZ, which expects to win the most parliamentary seats, is already rejoicing.

The decisive struggles in the constituencies will take place between HDZ candidates and those of the coalition of eight opposition parties (the HSS, HSLS, SDP, HNS, HND, IDS, HSP 1861, and HKDU), if we leave out the many outsiders. No threshold is needed there, since one candidate for each constituency is to be elected by a simple majority. There is no second round, which is quite unusual in the practice of the democratic countries and means that, in theory, the candidate who, out of eight or nine candidates, wins only some 20 percent of votes, may win the seat. If we take into account that about 70 percent of the electorate voted at the last election, then it is clear that many of the victories in the consituencies may be a simple travesty of the voters' wishes.

The electoral discussions at the very beginning of the election campaign are most often being spiced up with comments on the selection and the chances of familiar names entering the game, as well as with guesses about why other familiar names have stayed out of the race, while the political gourmets have even started weighing up the respective strength of the candidates in the constituencies. In that sense, the most intriguing for the political imagination are certainly the members of the HDZ team. Head of their state list is the president of the state and the party, Dr. Franjo Tudjman, though he is not on the list itself. The self-proclaimed "shadow president," Vladimir Bebic, heading the list of the Social Democratic Union [SDU], has decided to follow the same pattern.

Some Renegades Are Rewarded, Some Not

Top of Tudjman's list is Dr. Nedjeljko Mihanovic [chairman of the Chamber of Representatives], while Dr. Branko Horvat is top of Bebic's. There are not too many familiar names on the HDZ state list; the famous ones appear in the lists for the constituencies. Gojko Susak [defense minister] is thus second on the list, followed by Nikica Valentic [prime minister], Vlatko Pavletic [former minister of education, culture, and sport], Elio Martincic [formerly member of the IDS], Ivan Milas, Ivic Pasalic, Antun Vrdoljak, Luka Bebic, Martin Katicic, Borislav Skegro [deputy prime minister], and Jurica Pavelic. After the 12th place, the structure becomes quite diluted, which may lead to the conclusion that the party in power fears defeat in the constituencies much more than on the state list.

This is because other people have more of a party importance than an objective one. It is evident that some opposition rebels have been rewarded by places on the

HDZ state list, while others have not. Elio Martincic has got the best (fifth place): First he was with the IDS, then the HND, and recently the HDZ.

Bosiljko Misetic, who has also travelled through several opposition parties, is only 28th. Former HNS member Ivica Vrkic is 45th, former HSS member Mirko Madjor is 60th, his former and now again party colleague Mirko Tankosic is 62nd, and former IDS member Denis Jelenkovic is a HDZ candidate for the Porec constituency. The political ambitions of former HSLS representatives Damir Zoric, Mate Mestrovic, and Split Mayor Nikola Grabic remain unfulfilled, at least as far as this election is concerned, since they are not on offer by the HDZ. However, it seems that Zoric is after a ministerial position in foreign affairs, while Grabic has just made Tudjman an honorary citizen of Split, so his future is probably assured.

Prize Entries

There are prize entries on the HDZ list, too. There is Mladen Jurkovic, president of the HVIDRA [Hrvatski Vojni Invalidi Domovinskog Rata, Veterans Disabled in the Croatian Homeland War] (18th place), Nevio Setic, president of Tudjman's Council for Istria, for whom certain people have been trying to create the image of an "intellectual", rather than a party man (46th place), then Dudek [Martin Sagner, actor] (55th place), Ena Begovic [actress] immediately after him, Vedran Rozic, Hajduk's [Split soccer team] selector, the 78th, and the tennis star Bruno Oresar last but one on the list. The head journalist of the "independent" VECERNJI LIST appears in 70th place, while Jadranka Kosor, a Croatian Radio reporter, is deputy to the HDZ candidate Branko Miksa [mayor of Zagreb] in Zagreb's constituency number 26. It is interesting that many former HDZ representatives are neither on the HDZ state list nor in the constituencies. This is precisely what Vladimir Seks [deputy chairman of the Chamber of Representatives] announced about three months ago in an interview for this paper. He told us that many would not be included, but he did not state the percentage "so that people do not get scared."

Among those not included are many pale political "one hit wonders" and some who used to have a certain reputation, while there are also some very famous and ambitious people. Among those who did not survive the elimination process, for instance, are the quiet Dalibor Brozovic, the author of the project for Croatian currency; the ever worrying Boris Buzancic, first mayor of Zagreb; Dr. Sime Djodan, the HDZ's former defense minister, who recently appalled the public with his escapade about "corrupt nuns"; Stjepan Herceg, former public attorney, notorious for his capriciousness; Adam Mestrovic, formerly leader of the HDZ majority in the Chamber of Representatives; Dr. Boris Segota, president of the Parliament Committee for Finance, who has, behind the scene, expressed his reservations about HDZ morality on many occasions; General Ivan Tolj, and many others. Ante Klaric, former HDZ representative and prominent lawyer, is not part of any of the combinations either; he has many times supported positions similar to thos of the opposition and recently, just like the opposition, he has fiercely opposed linking Zagreb and the Zagreb circle into the same county [clause as published]. Mr. Gordana Turic, who has very often taken more radical positions than the HDZ's average and has been most fiercely opposed to the selling off of military apartments, has also disappeared from the list of HDZ candidates. Vice Vukojevic has been "banished" to the Sesvete constituency, as Hebrang's [minister of health] deputy. All in all, those who were obedient and loyal, the party soldiers, those who would not allow their own will and personal position to disturb the idyll of party harmony under any circumstances, are the ones who have stayed firmly in the saddle on the ruling party's lists.

State Officials as a Screen

It is this guideline that the HDZ strategy in the 28 constituencies throughout Croatia is relying on, but there are some special tactical variants, too. Namely, the HDZ seems to be suffering from thin personnel structure in a great majority of constituencies. This is why almost all the candidates are ministers and other currently high state officials, who often have nothing to do with the area that they represent, and the HDZ has not sacrificed them for the petty roles of local representatives. However, they serve as a screen for local, most often not too reputable individuals, who were appointed as deputies and who will take up the seats that are won. Dr. Jure Radic [minister of reconstruction and development] is thus HDZ candidate in Split, Ivan Jarnjak [minister of interior] in Krapina, Franjo Greguric in Varazdin, Hrvoje Sarinic [presidential advisor for national security, head of Office for National Security] in Rijeka, Vladimir Seks in Djakovo, Nadan Vidosevic [minister of economics] in Split, Mate Granic [foreign minister and deputy prime minister] in Dubrovnik, Ivica Gazi [minister of agriculture and forestry] in Dugo Selo, Anton Kovacev [manager of the HKBO, Croatian Credit Bank for Restoration] in Trogir, and so on. There are also some current HDZ representatives in the Chamber of Counties, whose mandates have not to our knowledge expired yet, who appear as HDZ candidates or deputies in the constituencies. However, there are rumors that the HDZ wishes to abolish this chamber and the fact that they have "taken out" the representatives supports such a thesis.

At any rate, it will be interesting to see what the election will pay to whom and whether the "reliable" speculations were correct. It is known that election fever, just like any ordinary influenza, can only last so long, and, after it has all gone, the nation will certainly enter November in a state of perfect health. After the election, the eyelids will both open and normalize. We will again be interested in how much shoes and electricity cost, whether the cable car towards Sljeme works, who has snatched away a bankrupt factory for next to nothing, in how many installments you can buy household appliances, and how long you have to wait for an appointment with a doctor. It will all have some direct or indirect connection with the decision at the ballot boxes. However, as is always the case, many will understand that secret connection only when it is too late.

Article Criticizes TV Electoral 'Censorship'

AU2510080495 Rijeka NOVI LIST in Serbo-Croatian 16 Oct 95 p 3

[Article by Edita Vlahovic: "Surrender Without Fighting"]

[FBIS Translated Text] After it banned and refused to broadcast the preelection spots of the Croatian Social Liberal Party [HSLS], the Croatian Radio Television [HRT] continued playing the role of the great censor in the "cases" of other parties as well. The latest news say that the radio spot of the Social Democratic Party [SDP] was also submitted to the censor's scissors, and the explanations the HRT gives the parties are becoming shorter and shorter. "According to the rules on preelection announcements, we are free to inform you that your spot advertising the SDP cannot be broadcast. With respect!" signed by Branko Uvodic, HRT assistant director for marketing—that was the entire message to the SDP team.

It seems that, with the new formula, the people from the HRT wish to avoid the polemics caused after they informed the liberals that the content of their "disputable political spots by no means represents a message connected with the program of the mentioned party," that their messages were unacceptable and irritating, and that it was not clear that those spots were about the HSLS. The state television also disliked the fact that the liberals felt that the citizens would be able to recognize them if they only showed the party's blue and yellow colors and their preelection slogan "Enough." On the other hand, the state radio decided that the SDP spot, among other things, put too much stress on their preelection slogan "Honestly," although that word appeared only once.

Not only did the preelection staff of the HRT, lead by Marija Peakic-Mikuljan, until recently the president of the Department for Public Relations of the Croatian Democratic Community [HDZ], thus put themselves in the position of deciding, instead of the viewers, whether the liberals were lying and whether their attitudes were irritating, but they also starting assessing the political programs. The HSLS has already objected to the Republican Election Commission, and they have also appealed to the Constitutional Court; the Election Commission also had to support the Party of Roma. Namely, they complained that the HRT did not allow a program in which the music of Roma could be heard.

In the program rules on reporting on elections, signed by the director of the state television Ivan Parac, it is stated that the HRT has the right to refuse a campaign spot if its contents violate the public order or Croatian regulations. As no one has stated what was unorderly and illegal about the spots of the HSLS and the SDP or the Roma music, it is clear that the HRT acted as a censor, or—according to the dictionary of words of foreign origin written by Bratoljub Klaic—a clerk who censors letters, books, magazines, films, and, in the Roman Empire, also the clerk who took care of the political correctness of the citizens. Since Croatia is not the Roman Empire, censorship is strictly forbidden by the Constitution, and the freedom of thought and of expression are guaranteed.

If there can still be some discussion about the fluid definitions of order and the unacceptability or acceptability of some attitudes, the HRT has clearly shown that this was actually not what the whole thing was about. Otherwise, how can one interpret the obvious violation of the rules adopted by the preelection staff of the HRT? On the first day of the official preelection campaign, in the central news program, editor Ljiljana Bunjevac-Filipovic broadcast two reports from preelection assemblies of the HDZ, although the rules explicitly say that no more than one such report can be shown. The television went one step further and, on the same evening, broadcast an elaborate program on these assemblies, which had allegedly been sponsored. However there is no reliable information about that, and the viewers had no way to conclude that this was a paid, propaganda program of the ruling party.

The "well-informed" lobbies already have an answer to the question posed in the public—namely, if Ljiljana Bunjevac-Filipovic was stronger than Ivan Parac, HRT director and a prominent member of the HDZ. It is said that, at the beginning of next week, Bunjevac-Filipovic will leave the HRT, but not because of the measures announced by Parac, which refer to the journalists and editors who do not obey program rules—she will be leaving to go to a new post, at the presidential residence.

Although the HRT behaves as if it were the television of one party—the ruling party, it is actually the state television, financed by all citizens through monthly payments and as tax payers (the expenses of that television are paid, among others, from the state budget). That is why Ivan Parac invoked the criteria of the modern world, the generally accepted democratic rules, and the journalists' code. However, he failed to say that, according to the Eurovision code, which applies to public television networks, a propaganda program must be announced in other public information sources in advance, that the same announcement must be broadcast on the network itself, that such a program must be preceded with a special announcement, and that, during the entire broadcasting time, there must be a sign in the corner of the screen so that everybody knows that it is not an informative program but party propaganda. European public television networks have also agreed that it is inadmissible that reporters from news programs conduct propaganda programs, but that such work belongs to announcers. As could be seen, the HRT does not obey those simple rules.

Besides the European, our own, domestic experiences are also enlightening. In the elections of 1990, the television started with a new project that has basically remained the same until now, but then it had far fewer limitations. The difference is already in the fact that the preelection campaign of 1990 lasted two months, in which the former Zagreb Television broadcast 1,050 reports with a combined duration of 10,500 minutes. The difference is also that, at that time, there was no paid propaganda, because the television directors at that time decided that, bearing in mind that those were the first democratic elections, they were obliged to present to the citizens all the parties that were then only being formed.

However, a concept was developed according to which the parties could present themselves to potential voters in special programs. Debates between representatives of different parties were specially organized, there were reports from news conferences and preelection assemblies, and, at the end of the campaign, there was a debate in which the leaders of the parties took part. Programs were broadcast "live" with viewers' questions, and the presentations of the parties were repeated the following afternoon, so the viewers who had missed the evening broadcasts could also see them.

Five years on, television has stopped broadcasting the parties' news conferences, it has started limiting the number and the duration of programs, and it has given up contact programs with the citizens and debates among the parties and their leaders. This year's campaign has been reduced to pompous reports about President Tudjman and the HDZ and gray one-hour programs in which the hosts ask party representatives stereotypical questions like "What new things can you tell us about your party?" As though there were no elections in 1990, 1992, and 1993, and as though nothing had happened in the last five years.

However, these are not all the differences. Five years ago, the television agreed on the rules regarding the preelection campaigns together with the parties, whereas, this year, the television heads only informed the public and the parties that the HRT had adopted the program rules. Five years ago, the television commission was appointed by the republican commission for the surveillance of elections and it consisted of Jadranko Crnic, then president of the Surveillance Court and currently president of the Constitutional Court, Vlatko Pavletic, and Eugen Pusic, whereas, this time, the HRT informed the public that the election staff is lead by Marija Peakic-Mikuljan, who can be found more often among the election staff of the HDZ than in the television building.

Further, in 1990, the television published the objections of the parties in the "Critical Point" program conducted by Ksenija Urlicic (only the HSLS had an objection, which concerned the length of the report), whereas in 1995 only in the press can one read about the objections of the parties regarding their treatment by the HRT. It is interesting that, five years ago, after a two-month campaign, the surveillance commission recorded only two objections, of which one was made by the television itself because of the attack on its correspondent, Hani Erceg, whereas, this year, after only four days of the campaign, Krunoslav Olujic, president of the state Election Commission, says that the commission will not be able to control the elections at the all if the representatives of the parties continue to send their objections and explain "every detain" on the phone.

These elections will be remembered by another joke by Parac. Namely, the HRT director announced yesterday that programs would be stopped if, in their struggle for votes, the representatives of parties crossed the boundary of good taste. Nobody knows what boundary that is, particularly since, according to the criteria of the modern world—which Parac invokes—nearly everything is allowed during preelection campaigns, except, perhaps, for the candidate to appear naked. U.S. President Clinton was recently asked—and it was not during a preelection campaign—what sort of underwear he wore, briefs or boxers. The heads of U.S. television networks never thought of depriving their viewers of the answer to that question. On the contrary. And, in case you are interested, Clinton prefers briefs.

Developments in Relations Between FYROM, Greece

Liaison Offices by Year's End

AU2410090395 Skopje MIC in English 23 Oct 95

[FBIS Transcribed Text] The signing of the memorandum on the establishment of diplomatic liaisons offices in Skopje and Athens has marked the end to the three-day Macedonian [The Former Yugoslav Republic of Macedonia—FYROM]-Greek talks in the Greek Foreign Ministry. The document bridges the to-date misunderstandings regarding the Macedonian mission in Athens, and therefore, the two offices are expected to be opened by the end of the year.

As regards the "controversial" question concerning the name on the sign in front of the Macedonian liaisons office, the Athens press says that the basic thing is that a solution acceptable to both sides has been found.

Probably not by accident, the NOVA MAKEDONIJA correspondent from Athens writes, it is explained that during the last round of negotiations in Athens, it was decided for a sign with Macedonia's temporary name "FYROM" to stand at the front of the liaisons office in Athens, while the constitutional name of the Republic of Macedonia would be written inside the building or house, behind the glass security wall, like the one in the Greek Foreign Ministry. As to the liaisons offices, the head of the Macedonian delegation Ljupcho Arsovski told us that it was agreed for them to be opened by the end of the year. Otherwise, both sides expressed the wish for the two liaisons offices, in Skopje and in Athens, to be opened at the same time. The reasons for extending the deadline are of a purely technical nature, he says. Still, it will take some time to find an appropriate object, house or building and to equip it. The state of the building of the Greek Consulate is also such that it needs to be repaired and adapted for work, after being closed up for 20 months. In addition, it will also take some time for the procedure to appoint the heads of the liaison offices.

Regarding the speculations that the Macedonian delegation has accepted for FYROM to stand on the facade of the building of the Macedonian office, Arsovski claims that this is incorrect. Greece, according to the document, has the right to put a sign in front of its building on the street, that will say everything they want. If it's a house, the sign will be placed in front of the fence, and not directly on the fence, Arsovski says. However, in the right corner, they have to write who put up the sign, which will make it completely clear that it is not Macedonia's matter. If Macedonia chooses an apartment, a sign saying "Liaison Office," together with the Macedonian coat of arms and flag will be placed on the fence or in the hall of the building.

Greek 'Economic Invasion'

AU2410090195 Skopje MIC in English 23 Oct 95

[FBIS Transcribed Text] Immediately after the lifting of the twenty-month long embargo, a large number of companies from Greece are showing great interest in establishing business ties in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], stressing that they want to make up for lost time. While the Macedonian and Greek businessmen are working out the practical measures of the Interim Accord from New York, Greek merchants and businessmen are speeding up preparations for an "economic invasion of Macedonia," the Greek press writes on Saturday [21 October].

According to speculations in Athens, the business giants "Mamidakis," "British Petroleum," "Motor Oil," the telecommunications giant "Entercom" and other companies that have offices in Greece, are preparing to make major investments in Macedonia.

Border 'Special Permits' Needed

AU2410082495 Skopje MIC in English 23 Oct 95

[FBIS Transcribed Text] Over the weekend, a large number of citizens from the southwestern part of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] tried to cross the Macedonian-Greek border on the border point Medzitlija, near Bitola. Among them were also citizens born in the Aegean part of Macedonia, who were sent back from the border.

They were told that they had to obtain special permits in order to cross the border. Upon checking the travel documents, the Greek authorities immediately tried to read the birth place. Those born in northern Greece were denied entry and sent back from the border ramp.

Furthermore, a couple of citizens were also sent back from the border point Medzitlija, who were not allowed to enter Greece even before the Greek embargo, because they had put stickers of Macedonian Ilinden revolutionaries on their cars.

Law on Activity, Structure of Intelligence Agency

95BA0328A Skopje SLUZBEN VESNIK in Macedonian 6 Apr 95 No 19 pp 388-391

[Ukase on the Publication of the Law on the Intelligence Agency]

[FBIS Translated Text] In accordance with Article 75, Paragraphs 1 and 2 of the Constitution of the

Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], the President of the Republic of Macedonia and the Chairman of the Assembly of the Republic of Macedonia issue the following

UKASE ON THE PUBLICATION OF THE LAW ON THE INTELLIGENCE AGENCY

The Law on the Intelligence Agency is hereby published, as passed by the Assembly of the Republic of Macedonia at its 29 March 1995 session.

No. 08-1293/1

29 March 1955, Skopje

Kiro Gligorov, President of the Republic of Macedonia

Stojan Andov, Chairman of the Assembly of the Republic of Macedonia

LAW ON THE INTELLIGENCE AGENCY

I. GENERAL STIPULATIONS

Article 1 The Intelligence Agency (subsequently, the Agency) as a special state governmental authority is established on the basis of the present law.

Article 2 The Agency must gather data and information of importance to the security and defense of the Republic of Macedonia and the economic, political, and other interests of the state.

The Agency analyzes and looks for data and information as per Paragraph 1 of this article and mandatorily reports them to the President of the Republic of Macedonia, the government of the Republic of Macedonia, and other state authorities relative to issues of importance to their activities.

The legal act on the means of information as per Paragraph 2 of this Article shall be passed by the government of the Republic of Macedonia with the agreement of the President of the Republic of Macedonia.

Article 3 The Agency is managed by a director appointed and authorized by the President of the Republic of Macedonia.

The director is appointed to a four-year term.

Article 4 The director reports on his work and the work of the Agency to the President of the Republic of Macedonia.

The government of the Republic of Macedonia may hold the director responsible for the work of the Agency.

Article 5 Organizational units may be set up to carry out the operations of the Agency.

The Agency director shall issue a legal act on the organization, the work, and the table of organization within the Agency, on the basis of the preceding agreement of the government of the Republic of Macedonia.

Article 6 The Agency shall cooperate with the state authorities on issues of joint interest.

In the course of joint collaboration, the Agency and the state authorities must reciprocally exchange data, reports, and information and coordinate actions performed by the Agency.

Article 7 The Agency personnel shall exercise their rights, duties, and responsibilities in accordance with the stipulation governing the personnel of state agencies unless the present law stipulates otherwise.

Article 8 In the course of its work and the search for information and data, the agency personnel must respect the rights and freedoms of the citizens as guaranteed by the constitution and ensure the protection and secrecy of data and information at their disposal.

II. SUPERVISION OF THE WORK OF THE AGENCY

Article 9 The Assembly of the Republic of Macedonia shall supervise the work of the Agency through a respective commission (subsequently called the Commission).

Article 10 The Commission shall report to the Assembly of the Republic of Macedonia on the work it has accomplished no less than once annually.

Prior to the submission of report as per Paragraph 1 of this article, the Commission must submit the report to the director of the Agency to which he will add his own thoughts, particularly from the aspect of protecting the secrecy of some of its operations.

Article 11 The director must make public and provide to the Commission all reports and data pertaining to its work.

The reports and data submitted at the Commission's session shall be classified state secrets.

Article 12 The conclusions related to the report of the Commission will be submitted by the Assembly of the Republic of Macedonia to the President of the Republic and the government of the Republic of Macedonia.

III. SPECIAL AUTHORITIES AND DUTIES OF THE AGENCY

AND RIGHTS AND OBLIGATIONS OF THE PERSONNEL

Article 13 In the course of its operations, the Agency shall apply ways and means as stipulated by the government of the Republic of Macedonia.

The Agency director or the official authorized by him shall independently determine the use of ways and means in conducting the operations of the Agency and shall be responsible for the legal use of the same.

Article 14 The legal act on the table of organization of the Agency will determine the positions related to special duties and authorizations (subsequently, special positions).

Article 15 The personnel holding special positions within the Agency must carry proof of identification, issued by the director.

In accordance with the regulations governing official tasks, the personnel as per Paragraph 1 of this article shall own and carry official weapons, ammunition, and other stipulated items and equipment.

Article 16 In the performance of their official duties and authorized activities, the personnel have the right to collect data, reports, and information within the range of activities of the Agency.

Private citizens, authorities, enterprises, and other juridical persons shall make possible the proper implementation of such work within the range of duties of the agency.

Article 17 If any Agency employee is accused of a criminal or any other action resulting from the use of firearms or any other means of coercion in the course of his work, and of participation in an accident involving a service motor vehicle in the course of his duties, the Agency shall provide him with free legal aid related to the charge.

IV. WORK RELATIONS

1. Determination of Labor Relations and Deployment of the Personnel

Article 18 A labor relation within the Agency may be established by any individual who, in addition to general conditions, meets the following special prerequisites:

1. Not to have been sentenced for a crime against the public order and the security of the Republic of Macedonia and the freedoms and rights of man and the citizen, the economy, the Armed Forces of the Republic of Macedonia, any official duty, and severe crimes against the life, causing bodily harm and damage to property, or a criminal act motivated by greed or dishonesty;

2. Not to be a subject of criminal prosecution for crimes as per Paragraph 1, Item 1, of this Article;

3. Not to be a subject of a legal sentence for breech of security, or a prohibition of performing a profession, activity, or position for the duration of this measure, and

4. To be physically and mentally fit.

A member of the personnel sentenced for a crime as per Paragraph 1, Item 1, of the present Article, subject to official prosecution or to any measure for the breech of security, prohibition of working in his profession, capacity, or position, shall have his labor relation with the agency terminated as of the day of the enactment of the sentence.

Article 19 Following the public announcement on the hiring of individuals by the Agency, the hiring procedure may be longer than the time approved by the law but must not exceed three months.

A hiring by the Agency without public announcement shall be based on the existing vacancies for special positions and open to individuals who have graduated from a secondary school of all levels, and individuals receiving Agency scholarships.

Article 20 An individual who establishes a labor relation or is assigned a specific job for which he must specialize shall be directed to undergo specialized training and advancement in the respective training organizations or to other forms of specialized training.

The time spent in specialized training by a trainee in the sense of Paragraph 1 of this Article shall be considered as length of service.

Article 21 An employee who has been assigned to undergo specialized training and advancement shall be provided with free housing and food and compensated for his expenditures for transportation, housing, and food.

Article 22 By decision of the director, an Agency employee may be assigned to any organizational unit to perform a job consistent with his specialized training. An appeal against the resolution as per Paragraph 1 of this Article may not postpone its implementation.

The employee as per Article 1 of this paragraph who, for unjustified reasons, and within seven days from the day of his notification of the resolution does not begin shall have his labor relation terminated.

The decision for posting in an organizational unit outside the headquarters of the Agency must be mandatorily reviewed each year subsequent to the resolution.

Article 23 In the case of Article 22, Paragraph 4, of this law the employee has the right to a salary not to exceed the salary paid during the final months prior to the posting, if accepted voluntarily, and a compensation for traveling and per diem allocations and additional expenditures if no housing has been provided, seven days of paid leave and reimbursenent of expenditures for transportation, for visits by the immediate family from which the official has been separated, at the rate of seven days of paid leave each three months.

Should the assignment exceed six months, the employee must be provided with housing.

Article 24 An employee holding a special position for which, by decision of the Health Commission, it has been resolved that he can not perform his work and special duties and authorizations because of disturbed psychophysical or overall health capabilities caused by harm suffered in the course of work or professional illness, shall be assigned to a job consistent with the level of his specialized training and state of health.

The employee as per Paragraph 1 of this article shall retain all his rights based on the labor relation enjoyed by the employees in the position he had held previously and must implement the duties related to his new position.

The psychophysical and overall state of health of individuals, as per Article 18, Paragraph 1, Item 4, and Paragraph 1 of the present Article shall be determined by a special health commission.

2. Working Time, Rest and Other Rights and Obligations of Employees

Article 25 The working time of the agency personnel may be longer than the legally stipulated maximum for a work week under conditions when urgent projects and tasks within the scope of Agency activities are being performed.

Article 26 The Agency's urgent requests will be submitted by the director or an employee authorized by him. In such cases, the director may postpone or interrupt the employee's annual leave.

Under the circumstances of Paragraph 1 of this Article, the employee has the right to compensation for his expenses related to the postponement or interruption of his annual leave.

Article 27 The Agency's personnel must protect the state, official, military, or commercial secrets to which they have had access in the course of or on the occasion of performing the Agency's tasks.

In the sense of this law, the following are classified as state secrets:

1. Reports, documents, data, and data sources within the scope of Agency activities, classified as state secrets, with a respective confidentiality classification;

2. Reports, documents, data, and data sources relative to individuals who, according to the law or any other stipulation, are qualified as official secrets, and

3. Data on the internal organization and work and table of organization of the Agency.

Article 28 The commitment to safeguard secrets as per Article 27 of this law shall apply even after the labor relation has been terminated. Agreement for relieving the person from the commitment of preserving such secrecy must be granted by the Agency's director.

The director shall issue a regulation on means for protecting documents, reports, data, and other acts which, by law, on the basis of another regulation, or by resolution of the proper authority, are classified as state, military, or official secrets.

Article 29 The data contained in the documents and other proofs of the agenda shall be protected and filed in accordance with the law.

Article 30 The following shall also be considered violations of labor discipline:

1. Acts violating the rules and regulations of the Agency;

2. Failing to submit data and information or providing inaccurate data and information to authorized personnel;

3. Avoiding medical examination for certification of work capacity;

4. Avoiding mandatory specialized training and advancement.

5. Deriving personal advantages in connection with work obligations and tasks;

6. Providing services or making the provision of services possible to another individual, involving money or other items entrusted to the employee in the course of performing his work and tasks;

7. Engaging in projects, professions, or functions, incompatible with the duties of the employees;

8. Managing, expressing, and supporting party regulations and views in the course of the work and tasks, and

9. Engaging in actions, which constitute a crime and which, in accordance with this law, obstruct the establishment of a labor relationship, or else carrying out an action that violates most gravely the public order and tranquility.

An employee may be temporarily denied employment by the agency in the case of a more severe violation of work discipline.

In the case of termination of the labor relationship, for reasons of dismissal, the dismissal term may be shorter than the term stipulated by the law.

The right to a termination deadline is invalid if the termination is due to a more severe violation of labor discipline.

Graver cases of violation of work discipline, for which the employee is removed from his job, the length of the dismissal deadline, as well as the cases when this right is not applied are stipulated in a legal act by the director.

Article 31 The Agency personnel are forbidden to engage in work, profession, or function inconsistent with their duties.

Article 32 An employee holding a specific job may travel abroad with the agreement of his immediate supervisor.

The director may prohibit travel abroad of Agency personnel whenever necessary, for the sake of safeguarding the security and defense of the Republic of Macedonia.

Article 33 The Agency personnel have the right to strike providing that this does not violate the regular conduct of the work and of the Agency's tasks.

If eventual harmful consequences are caused by nonperformance of the work and the tasks during the strike, the director or an authorized official has the right to ensure the necessary functioning of the organizational units in the course of the work.

On the basis of the steps taken as per Paragraph 2 of this Article, the personnel must act in accordance with the respective regulations.

To the extent that the personnel fail to act in accordance with the stipulations of Paragraph 3 of this Article, the director or the authorized official must ensure the implementation of the working process by using replacement workers.

Walesa Supports Referendum on Nuclear Deployment

LD2410121695 Warsaw Polskie Radio First Program Network in Polish 1105 GMT 24 Oct 95

[FBIS Translated Text] President Lech Walesa is certain of his victory in the presidential elections and has said in a radio interview that failure is totally out of the question. He thinks that he must win because, as he puts it, he has done too much for the homeland for it to give him up now. Lech Walesa also said that he is running as a candidate because many issues started during his term in office have not been completed.

President Lech Walesa told the Warsaw Radio for You regional station that, if he wins, he will use various forms of exerting pressure, in addition to the veto and legislative initiatives, as his instruments to influence policies.

[Begin Walesa recording] Sometimes this will be by exerting pressure, sometimes by organizing social masses, sometimes with the help of the media, and sometimes by joint action even with my own opponents—all this in order to resolve the issues. In fact, there will be three elements in use in the future.

However, it is difficult to say what the nation will decide with regard to the constitution. I would like to be more efficient and finalize what I have not managed to do in this term of office and what was outside my scope. I would like to achieve this because I am very stubborn and determined. I can wait but I never give up. [end recording]

Asked about the possible deployment of nuclear weapons on Polish territory when our country joins NATO, Lech Walesa said that this matter should be decided by the people in a referendum because the president has no right to make such a decision on his own.

Daily: Export-Import Center Involved in Corruption

WS2410142395 Warsaw ZYCIE WARSZAWY in Polish 23 Oct 95 p 3

[Article by MPO: "'Ciech' President Demanded a $1-Million Bribe"]

[FBIS Translated Text] An American businessman dealing in the petroleum line has informed GAZETA WYBORCZA that Zdzislaw Matkiewicz, the director of the biggest Polish export-import center, "Ciech," suggested that he offer him a bribe. Matkiewicz demanded $1 million in exchange for a delivery of plastic to the United States. Because the delivery did not arrive, the American businessman had to pay $750,000 in penalties.

Zdzislaw Matkiewicz has been presiding over "Ciech" for a year now. He was recommended for the post by Leslaw Podkanski of the Polish Peasant Party [PSL], who was then minister of foreign economic cooperation. The former director of "Ciech" was discharged with no explanation given. Matkiewicz was elected despite objections by the shareholders, who own 49 percent of the shares. The other 51 percent of shares remain in the hands of the State Treasury and the Ministry of Foreign Economic Coooperation, which can, in fact, carry any decision through the general assembly of the shareholders.

According to GAZETA WYBORCZA, "Ciech" is currently interested in shares of the consortium that is to build a digital cellular phone network operating in the Global Standard for Mobile Communication system [GSM].

GAZXETA WYBORCZA continues: "A rumor is circulating in Warsaw. We have heard it in the Sejm and among businessmen. It holds that 'Ciech's participation in the GSM [bidding] would be 'the last charge of the PSL,' and the last chance to share the gains before the end of coalition rule. The rumor has it that the PSL and the Democratic Left Alliance [SLD] intend to share in the digital cellular telephone network and gain control over the enormous profits. The PSL has summoned 'Ciech' to the battle, while the SLD has bet on 'Unicomp,' one of the companies held by Dariusz Przywieczerski's 'Universal,'" writes GAZETA WYBORCZA.

The journalists also maintain that the office of the "Ciech" Board faxed a memo to the chief editor of GAZETA WYBORCZA, in which it accused the journalists working on the GAZETA WYBORCZA story of cooperating with the Office of State Protection. GAZETA WYBORCZA adds that at the time, when another article on Matkiewicz was being written, the director sent a man who tried to penetrate the newspaper's computer network. When this failed, an attempt was made to bribe a female journalist in order to obtain the original copy of the text.

Kaczmarek on Privatization Law, Solidarity

95EP0171A Poznan WPROST in Polish 30 Jul 95 No 31, pp 17-18

[Interview with Minister of Privatization Wieslaw Kaczmarek by Piotr Andrzejewski; place and date not given: "Pulling Teeth"]

[FBIS Translated Text] [Andrzejewski] Following Sejm's rejection of the presidential veto, Solidarity demanded a referendum and forecast mass strikes against the Laws on the Commercialization and Privatization of State Enterprises.

[Kaczmarek] Contrary to what some are claiming, the draft of that law was consulted with Solidarity. Many of the suggestions we had received from Solidarity's National Committee were incorporated in that draft before its transmittal to Sejm. At the same time, we were not obligated to gain 100-percent acceptance at that stage. I think that if a referendum is to be carried out, we will have to clarify many issues so that it would not include questions about problems that are simply not germane to that law.

[Andrzejewski] For example?

[Kaczmarek] For example, questions about universal property empowerment, which is not a subject of that law. Colleagues from Solidarity should not feel bad about having failed to develop an economically justified concept of such empowerment in the last few years. It is one thing to dislike the government and another to resort to providing, to put it diplomatically, untrue information.

[Andrzejewski] Your predecessor, Minister Janusz Lewandowski, characterized the law in question, which was passed by both Sejm and the Senate, as "as a pretext for doing nothing [about privatization]."

[Kaczmarek] I fear that to Mr. Lewandowski privatization has ceased to count and politics alone has begun to count. After all, he is perfectly aware that, on commencing my work at the ministry I found many initiated privatization projects whose implementation has greatly exceeded the two-year limit envisaged by the "old" privatization law of 1990. Not that this was his fault; it is simply that the matter is difficult and complex. Had it been otherwise, the Ministerial Council would not have to prolong that two-year limit for more than 360 enterprises. But I feel hurt that Minister Lewandowski, who has contributed so much to the cause of privatization, is nowadays doing everything to present its negative picture.

[Andrzejewski] This negative picture is also being presented by some of your own political allies. Deputy Pek of [your] Polish Peasant Party is accusing the law of being insufficiently restrictive. He was responsible for the transfer to Sejm of decisionmaking powers concerning the privatization of "vulnerable" domains of the economy—from the energy industry to telecommunications. He has thereby made the law largely toothless.

[Kaczmarek] I do not think so, although certainly he has tried. It so happens that "spurring" certain industries [toward privatization] has until now been beyond the possibilities of the privatization minister. Neither Janusz Lewandowski nor—admittedly—I was so far sufficiently strong to make a serious attempt to privatize, say, the Polish Copper conglomerate or telecommunications. Now the situation is changing; under the new law the privatization minister will implement the decisions of Sejm. This is practically affording relief.

[Andrzejewski] Perhaps too much relief? The new law specifies that decisions on privatization will be taken not by the privatization minister but by the Ministerial Council. We are returning to the practice of "collective responsibility," aren't we?

[Kaczmarek] I don't think so. One reason why my ministry has not found acceptance in the so-called government community was that the other ministers learned only indirectly, from the press, about the privatization of the state enterprises under their jurisdiction. I think that it is logical for the Ministerial Council, while discussing, say, the annual budget or the directions of privatization, to be given a list of enterprises which should be—in the opinion of the Ministry of Privatization—restructured with the object of privatizing them. Speaking in general, however, the point is not legislative provisions but the so-called political will of the government to privatize the economy.

[Andrzejewski] Lately the government has been showing little such will. The pace of privatization has distinctly slowed down in the last few months.

[Kaczmarek] That is not because the minister [Kaczmarek speaking of himself] is opposed to privatization. It is simply that the new cases are more difficult. The existing law has ceased to provide the "momentum." After all, privatization is a two-way transaction, requiring both a seller and a buyer. The list of buyers is not that long, and properly speaking it is unknown to me.

[Andrzejewski] The president and the entire opposition are criticizing the new law on the grounds that commercialization, meaning the conversion of state enterprises into companies, is not directly linked to their privatization.

[Kaczmarek] No such linkage was envisaged in the previous law as well. Let me repeat: If there is no buyer, there is no transaction. Commercialization affords the possibility of declaring a public auction, selling shares and stock through negotiations, or contributing shares to investment funds. What is more, without prior commercialization no program of universal property empowerment is possible. After all, such a program precisely presupposes for allocating shares to citizens. We also received support for the commercialization program from the Council of Europe, which considered the problem of cooperation between Poland and the European Communities. Commercialization makes the structure of enterprises more comprehensible to Western partners. After all, capitalized companies predominate in the West and the concept of the "state enterprise," as we understand it, is rather cryptic to the West.

[Andrzejewski] One result of commercialization is that several thousand persons are appointed to the supervising councils of companies, which actually means, as opponents claim, the creation of sinecures staffed with political cronies, sinecures that would have to be terminated upon privatization.

[Kaczmarek] Since I first assumed the post of minister I have dealt with some 700 privatization projects. Out of these, in only three or four cases the company supervising council acted obstructively. I believe that promoting the catastrophic vision of a Polish "spoils system" of appointees to company supervising councils is a stratagem that hits below the belt. It may also be that those who accuse the government of such intentions are simply acting out vicariously their personal wishes.

[Andrzejewski] What salaries are paid to members of supervising councils?

[Kaczmarek] Compared with the world of business, these are symbolic salaries. The chairperson of the council of a company under the jurisdiction of the Privatization Ministry is paid 1.4 times the average national wage, and a council member, 1.1. times. Thus I do not see any danger from that side.

[Andrzejewski] But do you not see any danger ensuing from the fact that the proprietorial role of the State Treasury vis a vis the enterprises may be played by their so-called parent agencies, that is, by ministers and voivodes? Is this not a departure from the premises of the reform of the central government, under which the Treasury was to be represented by a single agency?

[Kaczmarek] This fear has indeed been voiced in discussions of the new law, especially when a rapid "overnight" commercialization of the enterprises was proposed—a notion which was abandoned by the government. The fear was that 68 discrete state treasuries—that being the number of the parent agencies—would arise. Hence, Sejm incorporated in the new law a "safeguard" specifying that the commercialization of an enterprise for a purpose other than its subsequent privatization can be decided upon by a parent agency only with the approval of the privatization minister.

[Andrzejewski] Will the institution of the State Treasury be established at all?

[Kaczmarek] It will be.

[Andrzejewski] Then the new law would have to be amended.

[Kaczmarek] Certainly. The question of adopting more specific reforms of the central government has not yet been settled. It is uncertain, for example, whether the State Treasury will own the enterprises 100 percent and have the right to sell them, or whether it will merely manage them while some other institution will attend to privatization procedures.

[Andrzejewski] Commercialization also presupposes converting enterprise debt to shares or stock in the enterprise. In other words, a company's creditors will be obligated to become its shareholders. At the same time, the debtor's obligation to offer a recovery plan has been abandoned. What good will the right to own shares in a bankrupt company be to a creditor?

[Kaczmarek] This may sound paradoxical, but the recovery plan and its discussion may often slow down the process of commercialization and privatization. Until now creditors have had the worst of it so far as the debtor enterprises are concerned. That is because whenever a bankruptcy is declared the State Treasury is given priority in the allocation of assets, followed by state banks, private banks, creditors with liens on mortgages, and the State Insurance Administration. Exchange of debts for shares applies to the enterprises which face the alternative of either declaring bankruptcy or affording one more chance. In the new law we want to assure the protection of creditors by having the State Treasury relinquishes 70 percent of the liabilities owed it. In addition, under the new law, the State Treasury relinquishes its right to own the company. Thus, creditors are enabled to try and bring about the company's recovery and recover their money instead of being left bare-handed.

[Andrzejewski] Solidarity is criticizing the new law for its departure from the spirit of the [state-employees-employers] Pact on the State Enterprise. Under the new law an enterprise's worker government plays only a consultative role in the matter of commercialization.

[Kaczmarek] This has been the case under the old law as well. Here nothing has changed for worse. On the contrary, the provision on consulting the worker government about commercialization and privatization has also been incorporated in the law concerning workforce self-government.

[Andrzejewski] The Pact states that an enterprise has six months to decide on the direction of its ownership transformations.

[Kaczmarek] This principle is retained in the new law, though in an altered form. The final provisions of the new law specify that it will not take effect until after six months from the date of its signing. This means that during that period the enterprises meeting certain criteria, such as employing not more than 500 staff, having a sales volume of not more than 12 million ecu, and having an operating capital of more than 6 million ecu, have the freedom of choice as to which ownership transformations to adopt.

[Andrzejewski] These criteria restrict the list of eligible enterprises.

[Kaczmarek] ...To 3,300. During that period they may choose any path of privatization, without prior commercialization if they wish so, e.g., direct privatization or the establishment of an employee-owned company.

[Andrzejewski] Fifteen percent of the shares is to be allocated gratis to employees. However, the law does not define precisely which employees are authorized to receive them. Moreover, it imposes a two-year restriction on the possibility of selling these shares.

[Kaczmarek] Fifteen percent of the shares is to be received by those who are employees of an enterprise at the moment of its conversion into a company. As to when and who should receive preferential treatment, we had wanted to include former employees, with the worker collective to take decisions on this matter, but the government's proposal was twice revised by Sejm. As for the requirement of the two-year waiting period prior to the sale of shares [by the employees], that is necessitated to protect the capital market. Otherwise, when a company becomes quoted on the stock exchange, at first-day opening these shares would be offered en masse on the market and thus cause perturbations. Thus, since we decided to allocate these shares gratis, we must ward off the consequences of that decision.

Research on Economy Results, Forecasts Presented

95EP0182A Poznan WPROST in Polish 20 Aug 95 No 34, pp 38-41

[Article by Miroslaw Gronicki and Bohdan Wyznikiewicz from the Institute for Research on a Market Economy: "Forecast for Poland: Greater Perils"]

[FBIS Translated Text] In the first half of 1995, the economy maintained a fast growth pace. The GDP grew by more than 6 percent (in the first quarter the growth rate exceeded 7 percent and in the second it reached 6 percent). At the same time, unemployment declined from 16 percent in December 1994 to 15.1 percent toward the end of June 1995.

The reason for such good economic results was the reforms implemented in recent years. They have coincided with the economic boom in Western Europe. Polish enterprises know how to compete and are skillful at finding export partners. As a result, our exports have been rising much more rapidly than imports from the countries of the EU, which has led to an increase in the share of Polish goods on Western markets. Polish exports were also helped by the stronger German mark and the relative stability of the political and economic situation in the East. The exceptionally rapid increase in exports in 1994 (by about 17 percent) and in the first half of 1995 (by more than 13 percent) has been accompanied by vigorous growth in the output of the processing industry, along with somewhat slower growth in other sectors of the economy. As a result, employment increased and corporate profits reached their highest peak since 1990.

In addition to exports, investment and personal consumption, that is, so-called domestic factors, are increasingly stimulating demand. It is estimated that in the first half of 1995 investment outlays in real terms increased by 10 percent, personal consumption grew by more than 3 percent, and government spending on consumption by more than 4 percent. The faster economic growth and gradual appreciation of the zloty caused imports to increase by more than 20 percent in the first quarter of 1995 and by 10 percent in the second. A reason for the slower growth of personal consumption is the slow rate of increase in personal incomes (barely 4 percent in the first half of this year). The fastest to increase were the incomes of pensioners and annuitants.

The biggest problem in Poland is the impossibility of curbing inflation.

The principal causes of the failures in controlling inflation are the consolidation of the position of state monopolies in major branches of the economy, tardy privatization, overt and covert subsidies for many domains of the economy, and protectionist measures—protecting the domestic producer is very costly. Moreover, in the second quarter of the year, inflationary pressures continued to be exerted by the factors behind the price increases so far: the consequences of failure to take measures to counteract the effects of the drought of 1994, the budget deficit, and the printing of unbacked currency by the National Bank of Poland.

The surplus of foreign exchange reserves in the second quarter resulted in a marked increase in monetary resources. In the first half of the year the central foreign exchange reserves increased by $5.5 billion and exceeded $10.7 billion by the end of June, and the aggregate net foreign exchange assets (comprising the foreign exchange held in the entire Polish banking system) reached $16 billion. The sources of this increase were threefold: first, the revenues from cross-border trade; second, sales of the dollars (owing to the prolonged decline in the exchange rate of that currency) held outside the banking system; and third, the influx of short-term foreign capital and the increase in direct foreign investments (by more than $1.3 billion during the first half of 1995). The growth in foreign exchange reserves resulted in the appearance of surplus cash on the market, a demand which the supply of goods could not satisfy, and that is why inflation has increased.

Although the increase in real monetary reserves has been only a little more rapid than the pace of economic growth, it has forced the central bank to repeatedly intervene on the interbank market, and to hasten the pace of changes of the financial system. For the second half of this year, too, a robust economy is envisaged.

In the third quarter of 1995 the GDP will most probably increase by another 6 percent, and in the fourth by 7 percent. In the second half of this year domestic demand will be a bigger factor. The expectations are for a considerable increase in personal consumption—due chiefly to greater purchases of food and higher real incomes—which will grow by 6 percent in the third quarter and by 5 in the fourth.

Exports will affect economic growth less, but they will continue to grow more rapidly (by about 8 percent) than the GDP. The strengthening of the zloty vis-a-vis other currencies has borne fruit in a temporary improvement in Poland's balance of payments, but already starting in September a definite worsening of that balance can be expected: Imports will probably become more profitable, which may affect domestic producers adversely. On the other hand, it is not certain whether the appreciation of the zloty will similarly affect cross-border trade: It may turn out that the increase in the exchange rate of the zloty is too small to markedly reduce the volume of that trade.

The assumption of the Finance Ministry that the inflation rate between December 1994 and December 1995 will be 20 percent is unrealistic. Following a gradual slowdown in price increases during the summer months, it is to be expected that they will accelerate during the last four months of this year. For 1995 as a whole, inflation, measured as a function of the prices of consumer goods, will total about 25 percent from the previous to the next December, or about 30 percent as an annual average. This presents a major peril: High inflation does not allow any marked reduction in interest rates, stabilization of the financial system, or a broader inclusion of the banking system in cofinancing corporate investments.

For this year farmers expect a bumper harvest. But that harvest may be, paradoxically, a cause of perturbation in the economy. There is no doubt that major intervention on the agricultural market will be necessary. But such measures must be flexible enough to prevent the bumper harvest from becoming a source of additional tensions. That is because a considerable decline in the prices of farm products is to be expected. On the one hand, this will result in a reduction in the overall price level and, in the presence of a rapid increase in wages, it may cause a growth in consumer demand. But on the other hand, the real incomes of farmers will then diminish.

The problems of the state budget remain current. Yet spending will begin to increase for two reasons. First, as of 1 July the salaries of civil servants and pensions were increased (along with their adjustment to 6 percent above actual inflation). Second, the payment arrears of budget units have increased.

The increase in the value of the zloty against foreign currencies and the overheating of the boom in the West may result in a reduction in the growth rate of exports. In Germany, which is the biggest Polish trading partner (accounting for 38 percent of Polish exports), a definite decline in economic growth rate is being expected. This is chiefly due to the lower exchange rate of the dollar against the mark. A stabilization of currency exchange rates, along with a slight strengthening of the dollar envisaged by experts, will adversely affect price relations for Polish exporters. In effect, it is difficult to expect a repetition of the gratifying results recorded over the last 18 months.

In the second half of 1995 a deterioration in the balance of trade will not threaten the stability of our financial system, but if the trend toward a more negative balance of trade continues in 1996, this may bring about a lower exchange rate of the zloty, with obvious inflationary consequences. The absence of evident progress in privatization, the new elements of regimentation of the economy, the participation of the Diet in privatization, and the controversial law on the commercialization and privatization of state enterprises mean new perils to economic growth. Excessive intervention of the state into the economy deprives it of one of its most important assets—the momentum provided by private enterprise—and as a result it causes a decrease in labor productivity and slows down future growth.

[Box, p 39]

[Paraphrase of information presented in graph format]

A. The critical point: Increase in Polish exports (in percent): in 1993, 3.1 percent; in 1994, 16.7 percent; in 1995, forecast at 10.0 percent.

B. The slowdown: Rate of increase in Poland's industrial output (in percent): in 1993, 6.1 percent; in 1994, 10.2 percent; in 1995, forecast at 8.0 percent.

Minister on Border Trade, CEFTA, Zloty

95EP0189A Warsaw RZECZPOSPOLITA (EVERYDAY LAW supplement) in Polish 15 Sep 95 p 11

[Article by Danuta Walewska, based on an interview with Jacek Buchacz, minister of foreign economic relations; place and date not given: "No Threat to Exporters: Minister Jacek Buchacz on Foreign Trade Situation"]

[FBIS Translated Text] In the opinion of Minister of Foreign Economic Relations Jacek Buchacz, when CEFTA [Central European Free Trade Association] was first being formed, no one even imagined the possibility of such a far-reaching economic integration within the framework of that organization as the one we are now aiming at. The "liberalization timetables" prepared last year have ceased to be topical, and this is the concerted decision of all the four member countries.

"Most likely, even before this year is over we shall progress to new stages of cooperation, because trade alone simply is not enough anymore. Hence, we are now setting our eyes on the goal of financial cooperation—here Poland will be the prime mover—as well as of liberalizing the flow of manpower and services. We intend to emulate the model of economic cooperation that is binding in the EU. The meeting in Brno has proven that this is feasible," Minister Buchacz said in an interview with RZECZPOSPOLITA. In the minister's opinion, the credit for faster strides toward liberalization belongs chiefly to Poland.

"By creating free trade zones we prompt the modernization of enterprises and the increase in labor productivity, as a kind of training on a smaller market, CEFTA. As a result, integration with the EU will be less traumatic to enterprises than it could have been. We expect this to accelerate changes in the Polish countryside, especially in agricultural services, which should result in the production of improved and better-packaged goods. We believe that this will enhance the competitiveness of Polish products, while at the same time such training will not upset our economy."

The Zloty Is High, but That Is Not the Problem

Like any minister of state in charge of foreign trade, Jacek Buchacz is apprehensive about the increase in the value of the nation's currency. "It will be October or November before we will be able to determine the effect of the higher zloty on Polish exports. So far, there have been no signs of a coming danger. Besides, the deterioration in the terms of trade has been a long-term trend. The extent of the devaluation of the zloty in terms of foreign currencies has always been lower than the inflation rate. So far, however, there have been no signs that any domain of our exports is becoming unprofitable. That is because, in view of the difficulty of access to Western markets, we are returning to our old markets in the East, precisely within the framework of CEFTA, or in the former Soviet Union. The stronger zloty should not affect the general outcome of foreign trade, even though it may affect unfavorably some of the Polish exporters to the West, where by now our profit margins are very low."

"We intend to negotiate with the National Bank of Poland (NBP) the cost of credit for exporting enterprises. We believe that some of that cost should be reimbursed, so as to lessen the burden on producers who are now paying 40-percent interest on loans. As is known, sometimes it is possible to sell larger shipments of merchandise, but the funds for handling such transactions or for making advance payments, which is required in the case of big contracts, are lacking. Sometimes obtaining government loan guarantees will suffice. We will therefore insist that the NBP markedly reduce its prime rate. We also cannot accept passively the possibility that the zloty might become fully convertible in the absence of any measures on the part of the NBP. In addition, it would be a good thing to utilize a part of the growing foreign exchange surplus to import capital goods and producer goods. In this respect everyone seems to agree, but when details are concerned, the barriers multiply. All the same, my dream is that, say, $2 billion would be spent on imports of producer goods or export-promoting capital goods."

Aid for Exporters

Since we say that exports should be one of the two locomotives of the Polish economy, the government must promote them through a suitable policy. To be sure, it is not true that we are not helping exporters at all at present. After all there are the KUKE [Corporation for Export Credit Insurance] and the system of subsidies for export contracts—the Agency for Economic Growth has already provided five sureties. All this has relieved the situation of exporters, but still a consistent, institutional solution is needed.

Such a solution is already being employed by the Czechs and Slovaks. In Austria a system of aid for exporters initiated prior to the admission of that country to the EU is functioning very well. The Austrian centers for aid to exporters are a model to us; that aid is financed with mandatory deductions from foreign trade transactions. We are also thinking of introducing this solution in our country.

Additional relief will be brought by the adoption of the new customs law, which provides for a new treatment of exporters and importers and bestows on enterprises the status of reliable importers and exporters. This will make possible the special treatment of the enterprises granted such status by, for example, creating for them a different system of customs insurance.

That system will consist in the introduction of corporate bills of exchange, which will cost much less than in the existing system, under which bank loan guarantees cost 2 percent of the value of a transaction. Such a solution will be particularly advantageous in situations in which merchandise has to be reexported and the entrepreneur compelled to "freeze" funds. Also important will be the transfer of customs clearance to the country's interior. After all, many customs clearances can be carried out as close to enterprises as possible rather than at the border.

Buchacz thinks highly of cross-border trade. "These transactions are advantageous. This form of foreign trade also is advantageous but will not last long, because prices will become equalized on both sides of the border."

Trade With the East

Minister Buchacz admits that trade with the East is not what it should be. In his opinion, his ministry should pay more attention to facilitating it. "This year I want to organize mixed commissions with all our partners from the East. We should bear in mind that in those countries trade is very often controlled by the state, whereas its role in Poland is much smaller. This is one of those few cases in which the government still can do something, since most countries of the former USSR demand intergovernmental agreements. I deplore the fact that our presence on certain markets is marginal. We should not tolerate a situation in which the biggest trade partners of the CIS are countries of the EU, with Poland trailing at the tail end." On occasion, the minister cited the advantageous effects of international agreements: "The Belarusians accepted clearings in zlotys. We are negotiating with Russia the development of a system of financial cooperation. We are encountering problems. However, the political climate right now is not the best, this being election time."

"We are discussing other difficult topics with the Russians, such as technical cooperation in armaments. There can be no illusions: They must buy certain spare weapons parts from us, and vice versa. In addition, the absence of attendant agreements has been hobbling the development of the Polish arms industry, and our military has been having problems with equipment repair. Since we have succeeded in signing an agreement between the armed forces of Poland and the United States, I see no reason why we cannot do that in the other direction, as well. In Russia the government holds total monopoly on this kind of trade."

"As regards Polish-Ukrainian agreements, we additionally put forward the idea of cooperation with third parties, including Canada and Austria. We asked for proposals which would require our investment outlays."

Privatization

"It should be finalized," said Jacek Buchacz, when asked about the status of the privatization of foreign trade agencies, "I would like to clear up by year's end the question of which ones will not be privatized. To be sure, the only doubts I have here concern the privatization of Intraco. But as for all the other agencies whose formal legal status has been clarified, I would like them to be completely privatized by next year. As of 8 September, CIECH [Import-Export Agency for Chemicals and Chemical Equipment] has become a joint-stock company. The decisions to be made concerning crude petroleum will determine whether that enterprise will be privatized through the mediation of the securities market or strategic investors. We would like a similar situation to apply to Polimex, Polservice, and Impexmetal, which already are in the privatization stage."

Weekly Describes Capital Market

WS1110100295 Poznan WPROST in Polish
24 Sep 95 pp 36-37

[Article by Andrzej Zybala: "Capitalists, Unite!"]

[FBIS Translated Text] *While companies that are part of the Mitsubishi Corporation last year recorded sales valued at $206.3 billion, the revenue attained by all Polish manufacturing companies (employing 20 or more employees) came to approximately $150 billion. The world's largest holdings, consolidating hundreds* *of businesses operating in many different fields, are becoming economic giants, comparable, if not larger, to the economies of medium-sized countries.*

Holdings were first formed in Poland after 1989. They are still too small to be ranked by BUSINESS WEEK among the top 1,000 business organizations in the world. Royal Dutch, the British industrial and trade conglomerate, has assets worth $96.6 billion. Their value is on a comparable level to Poland's national income, now approximately $90 billion. Companies that make up Samsung, the Korean corporation, operate in 30 areas of business activity.

Polish capital consortiums can make one $1 billion from sales each year.

Polish companies growing most dynamically were created from what were previously foreign trade parent companies. There were 26 of these companies and 48 partnerships in the Polish People's Republic. Many of these companies were able to adjust owing to their management's working knowledge of business operations in advanced economies. In 1989, after relinquishing their monopoly in foreign trade, they adopted a strategy of building a strong production base in several different areas of business. These parent companies would buy factories whose products they had previously exported. They were thus able to compensate for the drop in sales in foreign trade. Elektrim's interest in the power industry broadened to include banking and telecommunications. Agros Holding, primarily an exporter of agricultural products and foodstuffs, was able to successfully invest in food processing. Mostostal Export, a building and construction company, expanded into the financial sector and knitwear industry.

Some of the private entrepreneurs whose businesses sprang up after 1989 have also formed conglomerates. Optimus, a conglomerate established by Roman Kluska, now controls more than 50 companies, acting as regional branches and marketing computer equipment. Yet the Optimus "network" also includes a telecommunications company. The president of Optimus, based in Nowy Sacz, plans to make capital outlays in the real estate business.

Sobieslaw Zasada Centrum SA has taken over the Star [truck] plant in Starachowice, the Jelcz [truck and bus-manufacturing plant] near Wroclaw, and the bus-manufacturing plant in Sanok.

Companies in Glowno and Kutno are also part of the consortium. Its operations are concentrated primarily on the automobile industry, yet it has also invested in the manufacture of passenger cars, trucks, and special-purpose vehicles. It is one of the few major companies that has set up ventures in the East. The structure of the holding is closely tied to the Mercedes production offer, Zasada says. The owner of the Sobieslaw Zasada Centrum SA company expects financial support from Daimler Benz headquarters after his firm enters the stock exchange.

The Poznan Consortium has a majority share in two factories: Drumet in Wloclawek and Agnelli in Bialystok. It is also a partner in Aleksander Gawronik's network of currency exchange counters. ITI has had mixed success. Its principal owners are Jan Wejchert and Mariusz Walter. Though the value of its television and advertising companies has risen sharply, the main part of the company is burdened by 15 million PLN [new, denominated Zlotys] of overdue credit with the PKO SA Bank. The bank has offered this liability for sale.

The Kulczyk Holding groups approximately 100 companies, with about 3,500 people employed last year.

These companies have already recorded sales exceeding 600 million PLN. They are active in the agricultural and foodstuffs industry (EuroAgroCentrum), the beer-brewing industry (Wielkopolski Breweries), the automobile industry (Kulczyk Tradex), and the financial sector (minority shares in Warta and WBK Bank). Companies in the Kulczyk group are also active in foreign trade and transport. Their owner has, in addition, invested in road construction projects (The Greater Poland Highway company—AutostradaWielkopolska). Other businessmen, such as Zbigniew Niemczycki, Krzysztof Habich, Jerzy Starak, and Zygmunt Solorz, are also building corporate structures, resembling conglomerates in many ways.

Foreign corporations, large multinational companies included, are beginning to form large business organizations in Poland. The ABB Swiss-Swedish power industry consortium is establishing the largest to date. It has worldwide operations in four sectors of industry, employing 77,000 employees. The corporation has become owner of 13 Polish companies after making capital outlays totaling $161 million. ABB representatives are currently holding talks with Ministry of Privatization officials on the subject of purchase of shares in the Wroclaw Pafawag [railcar-manufacturing] plant.

Polish branch companies of the ABB holding achieve better results than ABB companies in other countries.

The Dutch company Philips is expanding its "electrical empire." In 1991, it bought the Polam factory in Pila, and next the Lighting Subparts Plant in Bielsko-Biala. It also became a strategic investor in one of the factories in Ketrzyn. Philips intends to build a battery-manufacturing plant in Gniezno together with

Matsushita. It will cost Philips $36 million. It will manufacture VCR's, CD's and other products in Ketrzyn.

The European Leasing Fund is playing an increasingly visible role in the financial sector. It is currently the largest company offering such services in Poland. The fund has also acquired a share in the Europa insurance society. Daewoo has taken a similar approach in establishing a network of trade and industrial companies. It already has plants in Pruszkow and Lublin. Daewoo will very likely gain majority share ownership in FSO [car-manufacturing plant in Warsaw].

Elektrim's management board plans to transform itself into a parent company with financial control over a group of approximately 100 companies. Sales of the entire corporation approached 10 billion PLZ [undenominated zlotys] in 1994. In that same year, Elektrim bought Indukta, the Electrical-Machine-Manufacturing Plant in Bielsko-Biala, a company whose sales were in the several billion range. The Bydgoszcz Cable Factory is one of Elektrim's most prized acquisitions. It was purchased from the State Treasury after intense competition with German manufacturer Siemens. With the assumption of controlling shares in the Zalom Cable-Manufacturing Plant, Elektrim has established itself in a very powerful position in the electrical engineering industry. The company also owns 7,000 hectares of land. The Elektrim Food company is a producer of yogurt, whereas another Elektrim company is a meat and grain products manufacturer and is also in the agrotourism business. There are already about 10,000 employees working in Elektrim branch companies.

In just a few years, Agros Holding has become the largest consortium in the agricultural products and foodstuffs industry. It now groups more than 20 of the most successful companies in the industry. "Fortuna" fruit juices are made at Agros plants in Lowicz, Bialystok, and Pinczow; fine spirits are distilled in Torun. Its 6,000-hectare poultry farm in the Poznan voivodship is very profitable.

"The companies we bought were in appalling condition. It did not take long for corrective treatment to work, though," Zofia Gaber, the president of Agros Holding, told us.

Once incorporated into the holding, new companies were immediately provided a marketing strategy and financial support. "Small is beautiful, but big is effective," Zofia Gaber added.

The development of Animex ran along the same lines. It is engaged in production and foreign trade. It now owns three large farms in the Poznan voivodship, 8,000 hectares in all, and also has chicken farms. The holding took over the Poultry Plant in Ilawa in January; it earlier acquired shares in similar plants in Debica and Bialystok. "We must have a production base to expand the company," Witold Pareta, president of Animex, pointed out. Pareta joined forces with an American company to build Constar in Starachowice, the largest meat factory in Europe. Rolimpex is yet another company operating in the same branch of business. It is a partner in 43 companies and has a majority share in 28 of these. It also owns shares in banks and insurance companies.

Mostostal Export is likewise no longer a typical construction company. Its independent branches trade in commodities and run business operations in the electrical machine tool and knitwear industries. The conglomerate has added a bank (Polbank) and an insurance firm to its group. Michal Skipietrow, who heads the company, believes that by forming a group of businesses operating in different sectors of the economy, risk is minimized:

Poor results in one sector of a holding are compensated by better results of other companies in a different area of the economy.

Yet the Mostostal Export group has in all of its component parts quickly grown in value. It already has a payroll of 10,000. Exbud, similarly, does not restrict its activities solely to building services. Some of its member companies, for instance, offer printing or travel services. A cast-iron foundry was purchased by the holding from the Star truck plant to fill orders for products from a German customer.

Entrepreneurs and managers complain about the difficult conditions for the growth of business organizations. The fiscal system does not allow consortiums to settle their taxes after revenue and gross profit have been calculated. This leads to multiple taxation of the same monies. Net income of individual firms, after it is transferred to the parent company account, is once again whittled down by the State Treasury.

Melescanu Says New Body To Promote U.S. Relations

AU2510114995 Bucharest ADEVARUL in Romanian 20 Oct 95 p 1

[Interview with Teodor Melescanu, minister of foreign affairs, by Bogdan Chirieac; place and date not given: "The United States—The Priority Orientation of Romanian Foreign Policy"]

[FBIS Translated Text] [Chirieac] Mr. Minister, during Wednesday's [18 October] cabinet meeting President Ion Iliescu requested that a special body should be set up to promote and assist our economic and political relations with the United States. This proves that the United States is a priority for Romania. Since you have been chosen to coordinate that body, could you offer us some details?

[Melescanu] The body is intended to enhance the coherence and the articulation of our efforts made to develop our relations on the governmental and interparliamentary planes, as well as to support contacts among nongovernmental organizations.

This structure will have a very substantial economic and commercial component, as besides the competent ministries other institutions having authority in those domains will also be represented in it, such as the FPS [State Property Fund], the FPP [Private Property Fund], the Romanian Development Agency, Romania's Chamber of Industry and Commerce, local chambers of industry and commerce, the Romanian National Bank, and other banks.

Practically, the immediate objective of this interdepartmental body will be to assist the completion of the entire package containing the cooperation programs and projects that resulted from the visit paid to the United States between 25 September and 3 October 1995 by Romania's president, Mr. Ion Iliescu; of course, this also goes for further aspects, which will be approached during the president's next visit there [23-27 October]. Generally speaking, by setting up this body we will be able to monitor permanently the evolution of Romania-U.S. ties. Special attention will be given to our contacts with the U.S. Administration and Congress; we will see to it that correct information is conveyed to the U.S. political, business, and mass media bodies regarding reality in Romania; and, generally, that Romania's image in the United States should be correct and objective.

[Chirieac] Are there already any concrete results on the political or economic plane deriving from President Ion Iliescu's visit to the White House?

[Melescanu] The decision to set up a body coordinated by the Ministry of Foreign Affairs was made precisely owing to the concrete results that were obtained in the political and economic field during President Ion Iliescu's and President William Clinton's talks in the White House, as well as meetings with Vice President Al Gore, other members of the U.S. Administration, as well as members of the U.S. Congress and leaders of large U.S. companies. Let me only recall the consensus that was reached regarding the mutual interest in making permanent the most-favored-nation status granted to our country to boost bilateral economic relations. Or let me recall that after Romania presented its reasons justifying its wish to become a full member of NATO, the U.S. party reassured us that NATO's expansion will be an open and continuous process, in which all candidate countries will be treated equally, on the basis of their own merits. President Iliescu's visit confirmed and bolstered the establishment of a very favorable business climate, as the investment projects and economic cooperation ventures approached during the visit were extremely numerous and varied, the total volume of U.S. capital that could be attracted to our country amounting to about $500 million.

[Chirieac] What are the main objectives of the new presidential visit to the United States?

[Melescanu] Considering that at the conference entitled "Petroleum Business Opportunities for Romania," which will be held on 26 October in Houston and will also be attended by President Ion Iliescu, the Romanian party will forward, for instance, proposals for contracts and investments worth about $1 billion, one can surely say that this working visit has very concrete goals.

As is known, from 22-24 October in New York the United Nations General Assembly will hold a special jubilee session. This event, one of the most important in the history of that organization, will be attended by over 150 heads of state and government.

On 23 October President Ion Iliescu will make a speech during the UN anniversary session. Besides the activities on the UN General Assembly session agenda, the president will meet in New York with leaders of various states and governments, as well as those of the IBM and AT&T companies, other U.S. businessmen, members of the Romanian-U.S. Chamber of Commerce, and the editorial boards of the NEW YORK TIMES and WALL STREET JOURNAL publications. Furthermore, he will also meet Mr. Henry Kissinger, the former U.S. secretary of state and Peace Nobel Prize laureate.

UDMR Statement on Dismissal of Prefects

LD2410231695 Budapest Duna TV in Hungarian 2000 GMT 24 Oct 95

[FBIS Translated Text] In its statement the County Mures branch of the Democratic Union of Hungarians in Romania [UDMR] considers the replacement of county prefects and the dismissal of the Hungarian vice prefect just before the local authority elections to be a serious political mistake. This step does not serve domestic stability, for a representative of the Romanian National Unity Party [PUNR] led by Georghe Funar, has been appointed to the head of the county, the statement reads, among other things.

According to the UDMR's County Mures branch, the decision is a good example for the government's unreliability, since the government, lecturing the UDMR in an answer to a parliamentary interpellation by the UDMR, denied its intention to replace the prefects.

These events indicate that the government is trying to get rid of minority politicians from the prefectures and this is not in line with the idea of Romanian-Hungarian reconciliation, which had been initiated by President Iliescu, and has been aired by the media all over the world.

In the name of the county's Hungarian residents, we hope that the new prefect will not represent his party's anti-Hungarian policy, but the democratic intention openly declared by the Romanian power and, finally, we appeal for the reinstatement of the Hungarian vice prefect to his office, the UDMR statement reads.

Kucan Satisfied With Clinton-Drnovsek Talks

AU2410172095 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 24 Oct 95

[Report by Uros Lipuscek from New York]

[FBIS Translated Excerpt] [Passage omitted] Slovene President Milan Kucan is continuing his series of bilateral meetings today. For example, this morning local time he will be meeting with Israeli Prime Minister Yitzhaq Rabin and Holy See State Secretary Cardinal (Angelo Soldano). Yesterday afternoon he met with Estonian President (Lenart Meriem), Australian Governor General Bill Hayden, Hungarian President Goncz, Madeleine Albright, U.S. ambassador to the United Nations, and Spanish Prime Minister Felipe Gonzalez, who chairs the EU.

To the U.S. ambassador to the United Nations, who is by virtue of her post also a member of the U.S. President's cabinet, President Kucan expressed his satisfaction with U.S. President Clinton receiving Prime Minister Dr. Janez Drnovsek. This meeting, among other things, demonstrated that President Clinton was very well informed about Slovenia and that Defense Secretary Perry after his visit to Slovenia had conveyed a very positive opinion about our country to the President.

As for possible U.S. mediation in the Slovene-Italian dispute, Ambassador Albright said that this problem was being watched carefully and that they expected that both friendly countries would be able to resolve the above dispute. The fact that Albright classified Slovenia as a friendly nation speaks about an entirely new level of cooperation between the two countries, which was also confirmed in the talks that the prime minister held with the U.S. President.

In the talks with Felipe Gonzalez, EU chairman and Spanish prime minister, President Kucan said that the EU should allow Slovenia to present its arguments, that is, that the members out of solidarity with one of its members were refusing to mediate in the Slovene-Italian dispute. Gonzalez said that this was not about solidarity, but that no country could be admitted into the EU without the consent of all the members.

In the evening Central European Time, President Kucan will be speaking at a ceremonial session of the UN General Assembly, with which he will conclude his visit to New York.

Drnovsek: U.S. To Help With Italy

AU2410152295 Ljubljana DELO in Slovene 23 Oct 95 p 1

[Report by Veso Stojanov: "Clinton Promised Help in Negotiations With Italy"]

[FBIS Translated Text] New York, 22 October—"As far as I am aware, Slovenia is in good shape, as is also suggested by some of its achievements. I am looking forward to the talks with the prime minister," U.S. President Clinton told Slovene reporters prior to the commencement of talks with Dr. Janez Drnovsek. The 30-minute talks with the Slovene delegation, which, apart from the prime minister, also comprised Dr. Ernest Petric, the Slovene ambassador to the United States; Foreign Ministry State Secretary Ignac Golob, Dr. Ciril Stokel, foreign affairs adviser in the prime minister's office; Borut Suklje, director of the Government Information Bureau, and Mojca Osolnik, chief of Drnovsek's office, in the opinion of both the Slovene and the U.S. side took place in an extremely good and friendly atmosphere.

"President Clinton was surprisingly well acquainted with the situation in Slovenia and is familiar with our economic results and also our political stability. He praised our achievements and expressed his expectation that Slovenia would soon become a member of NATO and other integrations," Prime Minister Dr. Janez Drnovsek told us after the talks. The Slovene prime minister thoroughly briefed President Clinton on the progress of the negotiations on NATO membership, the Slovene stance on succession, and the arms embargo. He also conveyed to him our view of the problems that we have with Italy and Croatia.

"President Clinton assured me that we could count on full U.S. support and cooperation and that the United States would try to help to solve the problem with Italy. I briefed President Clinton on our position, the history of the dispute with Italy, and the fact that in both countries this was a very complex internal political question and that we had ended up in a paradoxical situation where Slovenia as the most developed country in transition still did not have an EU associate membership agreement. He also asked me whether the U.S. mediation would be well received on the domestic political scene. I told him that it would be very welcome indeed, also because the United States enjoyed a great reputation in Slovenia and his mediation would be incomparably better received than anyone else's."

"As for the succession issue, he assured me that the U.S. stance remained unchanged, that is, that Serbia or Yugoslavia could not hope for the FRY to become the sole successor of the former country and that all the new states on this territory would participate in this process on an equal footing," Dr. Drnovsek said.

Daniel Field, the President's special national security adviser on central and southern Europe, told us after the talks that the U.S. side was also much satisfied with the course of the talks. "Slovenia is a success story. President Clinton also admitted this and urged that you continue on the present course. Now that you have a stable democracy and economic growth, you must courageously complete the privatization process, invite foreign capital, and in this way become an equal member of the European family. The institutional links will follow all this," Field told DELO. As we have also learned, President Clinton during the talks on several occasions emphasized that he was very much interested in Slovenia's development and that the Administration will watch the developments in this part of Europe carefully. He also implied to the Slovene prime minister that the United States saw Slovenia as an active factor for stability in central and southern Europe. Dr. Drnovsek invited Bill Clinton to visit Slovenia.

Change in U.S. Strategy Toward Country Seen

AU2410182995 Ljubljana DELO in Slovene 23 Oct 95 p 1

[Commentary by Veso Stojanov: "Patience Rewarded"]

[FBIS Translated Text] The leading Slovene politicians have been striving for some time to meet with U.S. President Bill Clinton. That is, to meet with him not as a part of some reception or celebration, but for true bilateral talks. The first one to succeed in this was Prime Minister Dr. Janez Drnovsek. Although his little more than 30-minute meeting with U.S. President Clinton today also bears the traits of a courtesy visit inbetween the ceremonies accompanying the United Nations jubilee, its significance cannot be disputed.

While it appeared last year that the United States showed no particular interest in Slovenia this year, since the Clinton administration has changed its foreign political strategy toward the resolution of European affairs, the situation has changed considerably. Defense Minister William Perry's visit to Ljubljana indicated that the United States started to view Slovenia differently, not only as a small and unproblematic country in transition to which the official circles in Washington would occasionally devote an encouraging word, supporting reaffirmation of democracy and the market economy. Inclusion of Slovenia in the group of countries that would first become NATO members and recent very favorable and sympathetic statements by senior U.S. officials can be a proof that, at least regarding the Americans, we have managed to partially break through the framework of the problematic post-communist and Balkan states.

After several years of waiting for more than just a mere handshake by Clinton, Slovene politicians were rewarded with today's meeting. Whether Slovene diplomacy will now know how to cash in on U.S. benevolence in asserting our position in Europe does not depend on Washington, but on the capability and the skill of our politicians.

Russian Official: No Bars to NATO Membership

AU2410214095 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 24 Oct 95

[FBIS Translated Text] A delegation of the North Atlantic Assembly in charge of economic cooperation and rapprochement between the West and the East is visiting Slovenia these days. This is the first visit at such a level, and we can say that the delegation's talks with the hosts represent an important step forward in the process of Slovenia's integration with NATO. Marko Krautberger reports from the news conference:

[Begin recording] Judging by what was said at the news conference today, there are no special obstacles to Slovenia's integration with NATO, as Slovenia is not burdened by the heritage of the past, as this is the case with those countries that were former members of the Warsaw Pact. As the representative of the Russian Federation in the delegation assured, Russia, too, has no objections to Slovenia joining NATO.

More time in the talks was devoted to economic issues, the ascertaining of the level of Slovenia's readiness for the integration in the European Union, the compatibility of its economic, administrative, and other similar offices. The foreign guests emphasized that they were pleased with Slovenia's economic development, which is considerably better than some of the East European countries that are candidates for EU and NATO membership. Also, the standard of living in Slovenia is better than in Portugal and Greece, which are already full EU members.

We should not neglect two important economic factors that could influence the future economic development of Slovenia—that is, a high level of social security, which is, in the opinion of the delegation members, very high—especially favorable are the conditions for retirement that could place a considerable burden on the budget, increase the debt, and have a devastating effect on social income. The other danger for a stable economic development lurks in the debts of the Slovene commercial banks, which require an expert and cautious approach in their resolution. [end recording]

Agreement on Border Changes Signed With Austria

AU2410170795 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 24 Oct 95

[FBIS Translated Text] Slovenia and Austria signed an agreement on the course of the state border in several sectors of the Gornja Radgona area in Ljubljana today. As a result of the changes to the course of the Mura River, the Reski Potok, the Glancnica, and the Kucnica streams, the border is always changing at certain points. This involves minor mutual corrections of the territory on the total surface of 237 square meters on each side. The document was signed by Austrian Ambassador to Slovenia Gerhard Wagner and Borut Mahnic, head of the Foreign Ministry office for international legal affairs.

Defense Ministry Presents New Defense Doctrine

AU2410145795 Ljubljana DELO in Slovene 12 Oct 95 p 1

[Report by Vladimir Vodusek: "Infantry Giving Way to Other Slovene Army Branches"]

[FBIS Translated Text] Ljubljana, 11 Oct—After five years of independence, the Defense Ministry today presented to the public the essence of the military defense doctrine that the government had endorsed already before parliamentary holidays. Our state did not have such a document before, as the last one was adopted in Belgrade.

"For us, this is a framework and a conceptual apparatus on the basis of which we are going to strengthen the Slovene defense by the year 2000. With it, we have laid down basic guidelines, priorities, and necessary reorganization of the Slovene Army in order to be able to create adequate combat readiness in performing tasks of our defense system and at the same time step by step fulfill and use possibilities that are brought about by coming close to NATO," Defense Minister Jelko Kacin said at a news conference.

This will demand great commitment on the part of the Defense Ministry and the General Staff in the coming years. Already the very fact that in the doctrine orientation, the ratio of three parts of field units against one part of maneuver units is modified into the ratio of four maneuver against one field part tells about the immense scope of reorganization in this sphere.

As Gorazd Vidrih, secretary in the Defense Ministry, said, in order to be compatible with NATO, we need all chess pieces. Infantry will more and more give way to other army branches and, according to the defense minister, that means accelerated development and implementation of basic development programs. It is not only by obtaining military hardware, but also by training personnel and changing the rules of communication and decisionmaking to be appropriate to NATO standards, Kacin said.

In presenting the military defense doctrine, Albin Gutman, head of the General Staff, said that it is based on the resolution of national defense of the Republic of Slovenia, on the conditions on the front, and the experiences from Slovene military history.

Defense Doctrine Detailed

AU2410141995 Ljubljana SLOVENEC in Slovene 11 Oct 95 p 3

[Report by U.M.: "Slovenia Will Not Be an Attacker"]

[FBIS Translated Text] Ljubljana—What the basic tasks of the Slovene Army would be, how we would fight against a possible attacker, and what kind of weapons we would use for this in the coming years will be established by the new military defense doctrine. This doctrine has been drafted by the government, which will present it at a special news conference today.

According to this doctrine, the basic purpose of the Slovene Army is to deter possible adversaries from armed intervention against Slovenia, so that the army would stop the attacker before he would realize his military goals and then would expel him from the state territory as soon as possible, above all with its own forces. This doctrine establishes that we can wage only a defensive war.

We would resist any attacker and fight immediately and resolutely. The Slovene Army would in principle fight independently, relying on the capabilities of the state and its citizens.

In its organization, equipment, and training, the army would be comparable to and compatible with the contemporary armies in the European arena and the purchase of arms and military equipment would have to be adjusted to that in the coming years. The part of the doctrine which states that the Slovene Army must be an equal opponent that can successfully resist any attacker in any form of aggression shows that the purchase of equipment should obviously be expanded. Owing to the expected technological superiority and numbers of the adversary, the Slovene Army should also be capable of waging a guerrilla-partisan war, so that, when the state territory is occupied, it would make it possible for the state leadership to have better starting points for political negotiations.

Slovene Army Composition

The army will be composed of maneuvering and territorial forces, distributed into combat echelons. The units would have 4 percent of Slovene citizens (approximately 72,000). In the long run, the state intends to reduce the army to about 3 percent of the population (approximately 54,000).

Maneuvering forces would be the main forces, trained, equipped, and designed for combat operations under all conditions and throughout the state territory. They would be divided into tactical, joint tactical, and operational units (corps of the ground forces, military air force and air defense corps, coastal defense brigades, regiments, battalions, the training center, and logistic bases).

The Slovene Army services will be infantry, artillery, armored units, engineering, liaison, radiological-chemical-biological defense, air force and air defense, and navy.

Who Is Supreme Commander and Who Makes the Plans?

The command will be in the hands of the head of the General Staff (a body within the Defense Ministry) and subordinate commanders, as envisaged by the Constitution and the Law on Defense. The commands will be organized so as to be comparable to the armed forces of the EU and NATO. The basic guidelines for organizing and implementing defense and general and long-term programs of developing and equipping the Slovene Army are envisaged as being done by the State Chamber at the defense minister's proposal and plans for army engagement will be carried out by the General Staff.

Measures for counterintelligence will be planned, directed, implemented, and supervised by the Intelligence Security Service of the Defense Ministry.

What Are Our Army's Plans Like?

During the coming decade, the Slovene Army will above all progress in guiding and commanding, and in training soldiers, but will be adjusted to fighting on the domestic front and at the same time comply with standards enabling it to cooperate and fight jointly with EU and NATO units. Apart from that, they would improve their preparatory forces, set up a unified air defense system, increase fire support to ground forces, and above all ensure a better army personnel development.

[Box, p 3]

NATO Is the Aim

Slovenia's aim is to take part in the international security organizations (NATO, the Organization for Security and Cooperation in Europe, United Nations Organization, and the Western European Union), but will also realize its vision of security through joining wider defense associations. Apart from cooperation with neighboring countries, cooperation with and joining NATO is one of our country's basic aims.

Federal

Milosevic Talks With Shattuck on Rights Problems

LD2410221695 Belgrade TANJUG in English 2137 GMT 24 Oct 95

[FBIS Transcribed Text] Belgrade, Oct. 24 (TANJUG)—It is the obligation of the international community with energetical measures to stop genocidal actions of Croatian authorities against Serbs, both in areas which had been protected by the United Nations and throughout Croatia where Serbs stayed on after its forcible secession from former Yugoslavia, Serbian President Slobodan Milosevic said on Tuesday.

In talks with Assistant U.S. Secretary of State John Shattuck who arrived in Belgrade on Tuesday, Milosevic said several hundred thousand Serbs had been banished from areas earlier controlled by the United Nations in the past two and a half months alone.

In Croatia's aggressions on western, southern and northern parts of the republic of Serb Krajina (sectors west, south and north) in May and August this year, several thousand Serb civilians were killed and more than 250,000 others forced to flee their homes, which were looted and burned.

Milosevic said these were the gravest forms of human rights violations to which the international community, in spite of relevant reports by international observers, did not react adequately, or prevent with its influence, said a communique released by the Serbian president's office.

That is why the action by Shattuck is welcome, who gained direct insight into the situation with visits to areas of Krajina, including Knin, which have been captured by the Croatian army, and arrived at objective assessments, from which ensues the inevitable obligation of the international community immediately to secure an end to this practice by the Croatian authorities, said the statement.

The Federal Republic of Yugoslavia, which duly pursues a policy of national equality, has the unequivocal moral right to insist on that. It was underscored that there is no different treatment, a criterion of nationality, in the Federal Republic of Yugoslavia for those who committed criminal acts against human rights.

In that sense, the Yugoslav authorities urged the authorities and leaderships of Republika Srpska (the Bosnian Serb state) to conduct thorough investigations in connection with recent reports from the northwestern town of Banja Luka, and to take to court those responsible for criminal acts against Muslims and Croats.

Milosevic was also categoric in his stand that free access to all endangered areas must be secured for representatives of international humanitarian organizations and the press.

Milosevic also pointed out that the Federal Republic of Yugoslavia most strongly condemns any crime against people, their freedoms or property, and, regardless of who the culprits are, is firm in its stand that those responsible must be brought to justice and adequately punished.

Yugoslav Foreign Minister Milan Milutinovic also took part in the talks.

Milutinovic Views Peace Process, Current Results

AU2410174995 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 24 Oct 95

[Speech by FRY Foreign Minister Milan Milutinovic at the festive session marking the 45th anniversary of MEDJUNARODNA POLITIKA in Belgrade on 24 October —recorded]

[FBIS Translated Text] At a time when the settlement of the crisis in the previous Yugoslavia is entering the final stage, when the foundations have been laid at the ministerial conferences in Geneva and New York for the successful course and completion of the peace process, when the decisive steps are being made to reach an agreement on the end of hostilities in the former Bosnia-Herzegovina, and to implement it fully, one could say that the international position of the Federal Republic of Yugoslavia remains complex but that it is improving all the time.

The constant insistence by the Federal Republic of Yugoslavia that the final solution can only be achieved with peaceful means and through political negotiations in which the vital interests of all three peoples in the former Bosnia-Herzegovina would be considered equally have certainly contributed to this the most.

I think that it is a well-known fact that the Federal Republic of Yugoslavia has so far accepted many compromises, wishing to see a just and lasting peace achieved in the former Yugoslavia. At the same time, we have resisted various blackmails and attempts to draw us into the war and a wider confrontation with the international community.

Since the very beginning of the crisis, the Federal Republic of Yugoslavia has resolutely been striving for a peaceful solution reached through agreements, resolutely opposing the use of force. Not only do we think that the use of force cannot lead to the settlement of such major problems, but can in fact make them even more acute. Unfortunately, the international community has only recently committed itself almost fully to solving the crisis in the previous Yugoslavia with peaceful means.

Despite the successful course of the peace process thus far, especially the positive results of the ministerial meetings in Geneva and New York, at which agreements have been reached on the basic principles for the future constitutional and even territorial setup of Bosnia-Herzegovina, which unequivocally secures the equal status of the Serb Republic and the Serb people in the former Bosnia-Herzegovina, there is still much work to be done on the remaining outstanding issues.

The Federal Republic of Yugoslavia takes the view that the remaining issues can be solved only through negotiations among all the sides. At this moment, it is certainly the most important thing that the agreement on ending hostilities is implemented successfully and fully. All delays in implementing it, or noncompliance with it, can endanger the positive developments thus far. Therefore, the international community must be prepared to face the fact of who is obstructing the peace process and to the act very actively toward them.

Reaching an agreement on the end of hostilities represents very important progress in the peace negotiations. Its full and successful implementation would secure the continuity of the peace process and would represent one of the most important preconditions for the successful work of the peace conference.

Convinced that the chances for peace are realistic, the Federal Republic of Yugoslavia will, as it has been doing in the past, invest the maximum efforts to reach that goal as quickly as possible. At this moment the most important thing for the Federal Republic of Yugoslavia is that the pace of the peace process does not run out of steam and that the peace process end successful with a peace conference.

As is known, the Federal Republic of Yugoslavia is participating in the current peace efforts very actively. Our partners are constantly mentioning the exceptional importance and the strong and unavoidable role of the Federal Republic of Yugoslavia in this process. One can already say now that the climate in the international community has visible changed toward the Federal Republic of Yugoslavia. Not only are the foreign partners increasingly valuing the principled policy of the Federal Republic of Yugoslavia, but are also pointing out the importance of our role for stability in the Balkans and this part of Europe in general.

Recently, more interest has been expressed in renewing contacts with the Federal Republic of Yugoslavia. This is proven by the increasing number of meetings at high and the very highest levels.

The Federal Republic of Yugoslavia takes the view that the peace conference cannot be held without the suspension—that is, the lifting of the sanctions by the Security Council on our country. The Federal Republic of Yugoslavia can in no way accept additional, currently concealed demands for the widening of the conditions for lifting the sanctions, and will resolutely oppose it.

Generally speaking, in the final stage of the negotiations on the crisis in the previous Yugoslavia, it is obvious that the foreign policy of our country has achieved significant successes. The principles and stands that we have been advocating from the very beginning, above all when it comes to the interests of the Serb people in the former Bosnia-Herzegovina, have now been in many ways realized or about to be fully realized in the near future.

Of course, peace and security in the region do not depend only on us. Therefore, we hope that the international community, in addition to valuing our contribution, will at the same time exert certain pressure on those parties to the conflict that we cannot influence, those that are still showing the signs on insufficient and incomplete commitment for a lasting, total, and just peace.

The successful completion of the peace process and the lifting of the sanction on Yugoslavia will create conditions for our full return to the international community and all international organizations, as well as inclusion in international financial and business processes.

In brief, the Federal Republic of Yugoslavia will take the place in the world that belongs to it. Such a denouement would inevitably lead to the further strengthening of the international position of the Federal Republic of Yugoslavia as a factor of peace and stability in the Balkans and Europe and further afield.

Milutinovic Calls United Nations 'Irreplaceable'

AU2410205195 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 24 Oct 95

[Interview with FRY Foreign Minister Milan Milutinovic by Snezana Rodic; place and date not given—recorded]

[FBIS Translated Text] [Rodic] Where do you see the future of the United Nations?

[Milutinovic] The United Nations is an irreplaceable instrument of the international community, and there is no better organization at present. This is why it should be improved and preserved.

[Rodic] In what way?

[Milutinovic] It should simply adhere to its principles and its Charter. Unfortunately, in practice, the United Nations has not adhered to all of its principles, to all of its resolutions and declarations, the well-known declarations that have become part of the 20th century's heritage, so to speak, part of the 20th century civilization. In fact, as regards these principles, the United Nations has invested much in them but was not been able to put much of it in practice.

[Rodic] In your opinion, what role did the United Nations play in the denouement of the Yugoslav crisis?

[Milutinovic] Unfortunately, this role is decreasing all the time. I do not think this is good. This is not good for the United Nations nor for us, but this is what is happening.

[Rodic] Thank you.

Government's Problems in Balancing Budget Viewed

AU2510114595 Belgrade NASA BORBA in Serbo-Croatian 17 Oct 95 p 7

[Report by Bojana Jager: "A Public Bid for the Inflation Culprit"]

[FBIS Translated Text] For the first time the balancing of the federal budget was announced as early as in spring, when, after a three-month inventory of the federal budget, the Kontic cabinet announced that it lacked the money to pay the outstanding war veterans' pensions, which was also an issue of the greatest concern for the Montenegrin pension funds, eventually triggering ultimata from the Montenegrin Government regarding their regular contributions to the federal budget. The announcement met with severe criticism from experts and also passed through the political filter of the Serbian Government, which then assessed the budget balancing as destabilizing conduct. Over the summer the government kept silent and nobody talked about it any more. The Palace of the Federation reacted again only to allegations, again from Montenegro, that funds from the federal customs were not being regularly paid into the federal budget. Of course, this was denied, while what was really happening behind the public stage was possible to discern only from the extreme fall of payments of this direct federal revenue into the federal coffers in June (in that month the federal budget obtained through customs duties the smallest amount of this year, a meager 11.5 million dinars).

Recently, the theory about the balancing of the federal budget has been launched again, this time by Serbian Industry Minister Oskar Fodor, with the aim of making it possible for the army to pay its outstanding debts from the hyperinflationary 1993. No other reactions have come for the time being, but it is now clear that the federal state is ever less capable of closing its balance sheets. Of the total of 181 million dinars paid into the federal budget in August, the following amounts are apportioned for various expenditure: In August, through the turnover tax, a total of 224 million dinars was collected, of which 81.1 million or 33.2 percent went to the federal state, owing to a decision that put the state at a relative disadvantage vis-a-vis the republics. Holdings brought in 26.1 million dinars, of which 8.9 million or 34.1 percent went into the federal coffers. In August through federal taxes 29 million poured in, through customs duties 59.1 million dinars (which shows that this direct federal revenue recovered to a degree from the political turmoils), while with other revenue collected by federal bodies, of the total of 39.3 million dinars, 2.9 million or just 7.4 percent was paid into the federal budget (true, this could be assessed as bad management on the part of the federation itself). In this way in the structure of gross direct federal revenue to finance the country's public expenditure in August, the federal budget had 11.7 percent, the same as the month before.

However, according to the MAP Institute of Economic Sciences, in the first eight months of this year the federal budget's revenue was nominally 15.4 percent less than projected, while in real terms (in terms of last December's prices, when we were still dreaming that there would be no inflation this year) that discrepancy amounted to as much as 35.3 percent. MAP assesses that federal budget revenue should grow by the end of the year by 10 percent, so that the budget projection could be met nominally, while the actual discrepancy will depend on the speed of price increases over the last four months.

Such a rate of growth of revenue in conditions of unchanged fiscal commitments—it is obvious that it cannot be greater than it already is—is hard to anticipate. On the contrary, in the general atmosphere of disagreements about future economic measures, the central bank is prone to seeking lower rates of taxation and lower public revenue than are currently being assigned to the budget (which their respective ministries consider insufficient), which it has so far failed to accomplish.

"There is simply no room for balancing the budget, unless the federal state squeezes out some new loans from the National Bank of Yugoslavia and is then guilty of triggering the inevitable hyperinflation," Aleksandra Posarac assesses, and continues: "In all this, it should be remembered that until recently the governor hoped that the budgets, including the federal one, would be able to pay back this year at least part of the loans taken in the period when they had been sustained by the central bank's currency issue."

In the opinion of Posarac, the federal state (like other budget claimants) should embark on a major tidying-up of its projections and choose what is a priority to finance, of course, at the expense of some other items. If the army is a priority, because the state must be capable of defending itself, then some other expenditure, such as that on benefits for the disabled and war veterans, or particularly some pension rights for the participants in the National Liberation War [World War II], must be reconsidered. And that is again a political decision that will not be made by Kontic's cabinet.

Serbia

Karadzic Arrives for Talks With Milosevic

AU2410211595 Paris AFP in English
2052 GMT 24 Oct 95

[FBIS Transcribed Text] Belgrade, Oct 24 (AFP)—Bosnian Serb leader Radovan Karadzic arrived here Tuesday [24 October] for talks with Serbian President Slobodan Milosevic, the BETA independent news agency said.

Karadzic was accompanied by the Bosnian Serb "vice president" Nikola Koljevic and the speaker of the self-declared Bosnian Serb parliament, Momcilo Krajisnik, the agency added.

Official Belgrade sources did not confirm the presence of the Bosnian Serb leaders in the capital.

The visit comes a day after the Bosnian Serb "parliament" approved a list of proposals to take to U.S.-brokered peace talks this month that includes the right to confederate with Serbia.

At the end of the session, Krajisnik said the list had essentially been agreed with Milosevic and would be the subject of further talks.

Metal Workers March on Assembly, Jeer Marjanovic

AU2510084395 Belgrade NASA BORBA
in Serbo-Croatian 17 Oct 95 pp 1, 4

[Report by V. Milovanovic: "Prime Minister Promises Help and Protects the Ministers"]

[FBIS Translated Text] Belgrade—"Enough!" "How long do we have to starve?" "How big are your salaries?" These were the shouts of around 5,000 workers of four enterprises from Rakovica (IMR, "Rekord," "Jugostroj," and "21 May") yesterday at a protest march, which their colleagues from the Zemun-based IMT also joined. This column of disgruntled people marched from Rakovica all the way to the Serbian Government building and one hour later continued their protest in front of the FRY Assembly.

In the words of Tomislav Banovic, president of the Council of Independent Trade Unions of Serbia, the present demands of the workers of these companies do not differ from the demands that caused them to start the general strike two weeks ago. They demand that the republic's government "urgently and systematically resolves the question of the further survival of these companies," then, regular payments of at least the Serbian average for the particular month and, finally, the removal of the ministers of industry, trade, and finance, together with those members of the government responsible for the metal industry. In talks with the representatives of the striking workers, Prime Minister Mirko Marjanovic promised the union leaders at these companies that the government would meet all their demands as soon as possible, except for the one demanding the removal of ministers, "because that is the job of parliament."

As talks between Prime Minister Marjanovic and the union leaders of the four Rakovica companies went on in the Serbian Government, the workers, dissatisfied with the "procrastinations," spontaneously blocked the traffic in Knez Milos Street and Revolucije Boulevard and moved to the area in front of the FRY Assembly. "We have had enough waiting and begging. We are going to parliament and Marjanovic can talk to us there and offer some concrete solutions. That would be much cleverer for him than to wait for disorder to start." These were just some of the comments of the strikers gathered in front of parliament.

When the large cordon of policemen, around 200 of them, started to give way before the onrushes of the dissatisfied workers at around 2:00 PM, accompanied by whistles, swearing, and shouts of "Thieves!" and "Down with the government!" the assembled strikers were addressed by Prime Minister Mirko Marjanovic.

"Your demands are completely realistic and acceptable," Marjanovic said. After the crowd shouted "You are lying!" and "Enough empty stories and promises!" the prime minister, with the help of a megaphone (parliament had refused to allow him to use its own loudspeaker system), promised the workers that all of their demands, apart from the one for the removal of the ministers, would be met. In his words, since he had been head of the government, over 200 million dinars had been invested in the revival of the metal industry. "It is a fact that that money went away through other channels, but I do not know anything about that. You should talk about that with the managements of your companies and I can promise government help in shedding light on that enigma," Marjanovic concluded, but he was pursued with shouts of "Why are you running away?" and "What can we do with your promises?"

Demanding to see some of the mentioned ministers, the strikers remained in front of the assembly until late afternoon. Since those responsible in the assembly had not provided electricity for the loud speakers, which had meanwhile been set up, the workers dispersed. According to the union leaders, the strike will continue until all the demands are met.

Opposition MP's Protest Lack of TV Coverage

LD2410124495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1152 GMT 24 Oct 95

[FBIS Translated Text] Belgrade, 23 Oct (TANJUG)—There will be no live television coverage of today's regular session of the Serbian Assembly. This decision was passed by a majority of deputies at the beginning of today's session.

The vote on live television relays was demanded by opposition deputies who maintained that the cancellation of live coverage was in contravention of parliament's code of practice.

Assembly President Dragan Tomic said that the work of the assembly is public whereas neither the constitution nor the code of practice envisages live coverage of sessions.

Deputies of the Socialist Party of Serbia [SPS] and of New Democracy are taking part in the session, a large enough number for parliament to function unhindered.

The deputies of the Serbian Radical Party [SRS], the Democratic Party, the Democratic Party of Serbia, and the Serbian Renaissance Movement [SPO] are not taking part in the session in protest against the absence of live television coverage.

Prime Minister Mirko Marjanovic and most members of his government are taking part in the work of the assembly.

DSS Leader Calls Government 'Mafia Bosses'

AU2510084495 Belgrade NASA BORBA in Serbo-Croatian 19 Oct 95 p 4

[Article by J. Spasic: "Petrovic: Prime Minister Spat in Workers' Faces"]

[FBIS Translated Text] Belgrade—"Only in a country like this and with a regime like this is it possible for someone like Mirko Marjanovic to be prime minister. He did not mind the workers calling him "thief," but he did mind very much when they demanded his resignation. With a statement like this, Mirko Marjanovic spat in the workers' faces." This is how Mirko Petrovic, president of the Executive Committee of the Democratic Party of Serbia [DSS], commented on the strike by workers at the Rakovica metal industry complex at yesterday's regular press conference.

Petrovic called Marjanovic's government "the government of the feudal leaders of Serbia, of personal profiteers, speculators and mafia bosses," whose main achievement is that "ministers and the prime minister are becoming richer and richer and the people poorer and poorer." The leading DSS politician said that "the government does not care about the workers, pensioners, young people, or the Serbs across the Drina, only about power."

Mirko Petrovic said that the real economic picture of Serbia can be seen in the fact that the average salary is less than 90 German marks [DM] and the average pension less than DM60, and, even then, salaries are not paid out regularly and pensions are several months late; it is also shown by the fact that the state owes 660 million dinars to the pensioners, that the losses in the economy for the first half of the year amount to 3 billion dinars, nearly a quarter of this year's GDP; it is also shown in the fact that there are 2 million unemployed, that expected annual inflation is 150 percent, etc.

"If we went into details and looked at the work of the metal industry concretely, the results of Marjanovic's government would be even more fatal. Of around 400,000 people who used to be employed by the metal complex, maybe 5 percent work today, and around 30 percent are only occasionally included in the production process. Their wages are miserable: For example, the smelters from the IMT get the minimum wage of 90 dinars, but they have still not received their August wages," the president of the Executive Committee of the DSS said, and proposed that the prime minister and the ministers "one month should try putting DM60 in their wallets and try to make that money last through the month with their families."

[Box, p 4]

Milosevic Controls the Media in the Serb Republic [Serb-held entity in Bosnia-Herzegovina]

"In the Serb Republic now, Serbian President Slobodan Milosevic is employing the same means that he earlier used in Serbia to establish and fortify his dictatorship. One of the basic means to secure power is control of the media and Slobodan Milosevic is now using this in the Serb Republic, forming controlled radio stations to produce further disunity and divisions among the

Serb people, and that precisely now with the enemy 20 km from the largest city in the Serb Republic," Mirko Petrovic said.

Commentary Blames Milosevic for Labor Protests

AU2510121995 Belgrade NASA BORBA in Serbo-Croatian 19 Oct 95 p 8

[Commentary by Jovan Radovanovic: "'Happening of Workers' Six Years Later"]

[FBIS Translated Text] Six years after, the workers of the former "red Rakovica" appeared in front of the Federal Assembly again, three days ago. At that time, six years ago, they also started their protest with social demands, only to end up—used as instruments, at a rally much larger than the latest one—shouting out nationalistic slogans, waiting for the Leader. Promising them the fulfillment of their "justified demands," the president of Serbia, at that time and still, spoke above the rhythmic chanting: "Slobo, Slobodo [freedom]!" and said that famous sentence: "And now—everybody to work!"

Obediently, the workers of "the red Rakovica" got on their company buses and returned home. True, then came the money minted at the Topcider [state mint], then came the time of roast pork, and sacks of flour and sugar.... And soon afterwards forced vacations and the technological surplus of labor. Then the war started, some of them lost their lives on the fronts, some went for ever into the wide world, and some of the "more capable" found themselves in the "gray economy," securing the existence of their families through black marketeering.

Six years ago, when the rally was to bring about the "antibureaucratic revolution" [Milosevic's term for purging the then communist structures] nobody disapproved of such "noninstitutional action." On the contrary. In those times it was the voice of the people.

Today their protest is characterized by the state media as "the unacceptable action of the street." Now they are identified as a part of disorderly forces of "chaos and frenzy," which intend to bring trouble and discord at a "great historical moment" when "peace, which has no alternative" has definitely come close to being achieved.

This time, unlike six years ago, instead of the Leader, the workers faced an indignant cordon of policemen, because that old motto "nobody dare beat the people" [Milosevic's nationalist slogan] is no longer valid, particularly if the people in question belong to the "forces of chaos and frenzy." Mirko Marjanovic, the prime minister of the republic, appeared, rather confused, and, using the habitual formula, promised to meet the "justified demands" and investigate where the money that the republic's government had given to the for metal workers had gone. To the workers' demand that the responsible ministers, those of industry and of trade, should resign, he kindly explained that that was the responsibility of the assembly. He incautiously added to the microphone of NTV Studio B television that he did not believe that the people in front of the Federal Assembly were really workers, but that they had been organized by someone, it is clear by whom, to oppose such a successful government as his is. He said this and fled.

True, not all the 50,000 workers were in front of the Federal Assembly, and there were 5,000 "loafers," who are "fed up with hunger" and are not very well acquainted with the great successes of the republic's government and its care for the working class in general.

Seen like this, the prime minister may be right, since the question could also be asked as to what in these six years those workers, with their class and later also national "consciousness," had done to stop their factories being brought to the edge of the abyss. Can they really, without asking themselves the same question, say, in the words of one of their union leaders: "This regime got us into all this and they have to get us out of it!"?

That regime used them then, just as it is using them now, but they did nothing to bring about changes in the regime when they could have done so very easily. Now, like offended foundlings of that regime when it was precisely they who put the foundations to it, they are angry with it and are making their demands. Now they would like to get paid for their six years of idleness by those who made it possible.

Whether they are going to sober up now, after they have been told that nothing will come out of it, remains to be seen.

In the best Bolshevik manner, which at one time puts the "street" above all institutions and proclaims it to be "the voice of the people," and at other times to be "unacceptable and hostile," the so-called independent union has also appeared. A letter from the Committee of the Independent Union of the IMT to the republic's prime minister was published yesterday, with a kind request to honor them with his presence to achieve "cooperative work on all subjects," the letter further says that they have "once more realized that the correct way and method to solve problems and express the workers' dissatisfaction is not in public gatherings on the streets and in front of institutions." Of course, followed by this: "At the same time we distance ourselves from the improper behavior of members of the Independent Union of the IMT.... your coming to the IMT would help the forces of reason of our 550 members to triumph, it would help the efforts we have been investing together to be affirmed, and the workers would gain the confidence that they have not been left to themselves, which would weaken the influence of destructive forces...."

What remains to be seen is how these "forces of reason" will defeat the "destructive forces" in the presence of the regime, because the latter, as cranky as they are, (in the great historic moment when "the entire world realizes that it has treated us wrongly from the beginning," when "the sanctions are just about to be lifted") could be a dangerous source of infection for some other dissatisfied people, which could remember another famous sentence—that "our problems will be solved both through institutions and outside them, through statutes and outside them," [Milosevic] on the streets and squares.

No chance: This is a legal state, as everybody knows very well.

Article Examines 'Increase in Anti-Semitism'

AU2210193195 Belgrade POLITIKA in Serbo-Croatian 18 Oct 95 p 13

[Article by Rade Rankovic: "Who Is Stirring Anti-Semitism?"]

[FBIS Translated Text] The Executive Council of the Confederation of Jewish Communes of Yugoslavia [SJOJ] yesterday issued a statement in which it most sharply protested against the "spreading of anti-Semitism as a form of racial, religious, and national hatred in Serbia and Yugoslavia." The reason for this sharp reaction by the SJOJ is above all, as stated, the big publicity given by certain papers (VECERNJE NOVOSTI and POLITIKA EKSPRES) to a book by Ratibor Djurdjevic.

"All this is causing justified bitterness and concern of the members of the small Jewish community in Yugoslavia, and not only of them," the statement points out, adding that anti-Semitic attacks are hardly ever followed up by the reaction of relevant state organs. As equal citizens of Yugoslavia, the Jews expect the relevant state organs to respect the constitution and laws and to prevent anti-Semitic activities, the statement issued by the SJOJ points out.

A Group of Academics Has Also Reacted

This event unavoidably reminds us of similar cases that have happened in the past few years in this part of the world. Last year, an article entitled "Jewish Vampire Ball" appeared in a municipal paper published by the Serbian National Renewal in Bijelo Polje. Because of its anti-Semitism, the article caused stormy reactions among both members of the Jewish community in the Federal Republic of Yugoslavia and among the Serbs themselves.

Those with a longer memory will remember the two attacks on the Jewish-Serbian Friendship Society that appeared in the Montenegrin weekly MONITOR, or the self-appointed warlord Sinisa Vucinic calling on B 92 Radio for the lynching and plunder of the Jews. Finally, the book that had at one time caused much anti-Semitism throughout the world, "Protocols of the Elders of Zion," has been republished by the Serbian Radical Party.

In this context, one should also remember the text that was published at the beginning of this year in LOGOS, a newspaper published by the students at the College for Religious Studies, prompting a group of prominent academics to react to it. The academics described the student statement as something that is stirring the old racist ideas against the Jews.

The fact that an anti-Semitic publication appears every two to three months reveals that this is not accidental but intentional. This was stated last year by Klara Mandic, warning that it was high time to raise the alarm.

At the same time this raises a logical question: Is anti-Semitism inherent in Serbs, or could all this be classified as "sporadic incidents?"

"The Jews cannot say that anti-Semitism has taken deep roots, or that it has been endorsed by the authorities here. What is worrying are certain manifestations of anti-Semitism in the press and the statements by certain individuals," Aca Singer, head of the SJOJ, said at the beginning of this year.

He added that the state has never questioned the work of the SJOJ, that it has extended help on several occasions, and that the Jewish community has good relations with other religious groups, especially with the Serbian Orthodox Church.

There Are About 2,000 Jews in Belgrade

With the disintegration of the SFRY (which had always supported the "non-aligned friends" from the Arab world in the continuous Jewish-Arab dispute), an increase in anti-Semitism can be noticed in all regions of the former Yugoslavia: In Sarajevo, Jewish cemeteries were damaged, and in Zagreb the premises of the local Jewish community were blown up.

Figures show that the number of Jews in Yugoslavia is decreasing. In the Kingdom of Yugoslavia, there were about 80,000 Jews. About 80 percent of them vanished in the war. Today, there are about 3,000 Jews living in the Federal Republic of Yugoslavia. Of these, 2,000 live in Belgrade. The number of Jews who emigrated during this war is thought to be between 200 and 500. They have emigrated mainly for economic reasons.

Finally, the very leadership of the SJOJ has stated that Jews are participating in the public life on the same footing as the majority nation, that there are no laws that discriminate against Jews, and that religious activities are conducted freely. Those well acquainted with Serb-Jewish relations claim that one should not worry about anti-Semitism taking roots in this region, and that one should not ignore anti-Semitic excesses and incidents either.

Political Breach Among Sandzak Muslims Viewed

AU1910194495 Belgrade POLITIKA in Serbo-Croatian 13 Oct 95 p 2

[Report by S. Bakracevic: "Ugljanin Like a Falling Star"]

[FBIS Translated Text] Novi Pazar, 12 Oct—The Muslims, at least those who believe that political allegiance is a very important thing, are seriously changing lines. In contrast to before 1990, when the newly founded Party of Democratic Action [SDA] was a sort of national movement, the Muslims now have a wide spectrum of political parties to cling to. The dilemma that most frequently arises among the Muslims (and which would be most conspicuous during elections) is whether they support Sulejman Ugljanin or Rasim Ljajic.

Once inseparable party colleagues, the two parted long ago. The former fled to Turkey fearing the arrest warrant against him, while the latter remained in Novi Pazar. The further Ugljanin was from "bitter Sandzak," the more severe his criticisms of Yugoslav and Serbian authorities became. On the other hand, Ljajic was becoming increasingly moderate in statements and demands, trying to turn SDA into a party with no place for extreme demands implying Sandzak's secession from Serbia. The conflict that smoldered for years resulted in a definite breach. The two SDA factions were separately holding assemblies and board meetings and designating their officials. At their assembly Ugljanin's supporters elected the chairman (Ugljanin, of course) and a new secretary instead of Ljajic, who was relieved of all functions. On the other side supporters of Ljajic held their own assembly and board meetings, at which they elected him chairman of the party, which was later approved by the Ministry of Justice by entering Ljajic as chairman in the register of political parties.

Among Ugljanin's supporters the registration of Ljajic as chairman caused an uproar, but they subsequently dug out the registration of Ugljanin's SDA approved by that same ministry, while "disinformation about Ljajic as chairman was promulgated by the regime-run media to sow dissension in the Muslim political corps," as Ugljanin's activist Azem Hajdarevic maintains.

For Ugljanin or Ljajic—this is the dilemma that has in a way aligned other Muslim political parties. The Liberal Bosniak Organization [LBO] led by Kasim Zoranic has already taken the side of Ugljanin's supporters, accusing Ljajic of betraying Muslim national interests. At the election assembly of Ugljanin's SDA, there appeared representatives of the Reformist Democratic Party of Sandzak [RDSS] and of the Yugoslav Worker's Class Josip Broz Tito, which, in view of its platform, is not considered a national party, but still involves exclusively Muslims. Chairman of the LBO Zoranic says that all the Muslim parties should get involved in the Muslim National Council, being a sort of national umbrella, claiming that the RDSS is quite close to making that move.

It has been proven several times this summer that only a selam [greeting] from Ugljanin in Turkey can elicit applause at political rallies. But the assertions made by Muslims themselves that Ugljanin's political star is falling can be more and more frequently heard.

Investment Discussed With French Delegation

AU2410203995 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 24 Oct 95

[FBIS Translated Excerpt] On the second day of its visit to Belgrade, a delegation of French businessmen led by Alcatel President (Gerard Dega) and consisting of directors of 27 big companies today held meetings with Yugoslav businessmen in working groups in the Chamber of Economy of Yugoslavia. Our correspondent reports:

Milomir Minic, head of the managing board of the Yugoslav Railroad Organization and the Belgrade Rail and Transportation Company, and Milutin Mrkonjic, director of the College for Communications, signed with the representatives of six big French companies a protocol on financial [word indistinct] for modernizing the railroad between Belgrade and the Hungarian border and completing the Belgrade rail junction. Here is what Milomir Minic said for Belgrade Radio about the importance of this document:

[Begin Minic recording] Cooperation with the French industry and rail continues. The French industry has promised [words indistinct] the completion of the Belgrade junction and will build a modern track for fast speed trains between Belgrade and the Hungarian border in the next five years. We are talking about a deal worth $1 billion. Our share will be 20 percent and theirs 80 percent. [end recording].

[Correspondent] It had been planned that the protocol would be signed by the representatives of five French firms. However, considering the importance of the deal, the representative of the (Jack Alston) firm decided to sign the document himself and take part in the realization of the contract. The other document on business cooperation and the setting up of a joint company was signed by Milutin Mrkonjic, director of the College for Communications, and (Marc Antoan de Detrich), head of the Systra company. [passage omitted]

In the working group for oil and gas, the French delegation was represented by (Robert Constant), Total's secretary general of the company department for Central and East Europe. The Yugoslav delegation was represented by Milan Djakovic, member of the Executive Board of the Chamber of Economy of Yugoslavia and director general of the Serbian Oil Industry, as well as the representatives of Jugopetrol, Petrohemija, and Energo Gas.

Milan Djakovic, coordinator of the group, briefed the French colleague on the potentials of the Oil Industry of Serbia, talking primarily about personnel, equipment, and experience. Bearing this in mind, Djakovic expressed interest in taking part in oil and gas exploration wherever opportunities for that existed. Finances or the lack of money were mentioned as the biggest problem. [passage omitted]

(Robert Constant), Total's secretary general for Central and East Europe, has shown interest in the joint exploration of oil and gas, especially in East Europe and Russia. Mr. Constant is of the opinion that our experts know the Russian market well and that they have a long tradition there, which could benefit everyone in the joint business.

Regarding the talks on the cooperation opportunities in the car industry, our businessmen held talks with the representatives of Renault and Citroen. The coordinator of the working group that held talks with the leading Renault directors for business relations with the countries in Central and East Europe was Srboljub Vasovic, director general of Kragujevac Zastava.

We have a lot of free capacity and the ability to embark as early as tomorrow on the realization of concrete jobs on the basis of industrial cooperation. Our wish is to be in a family of a major manufacturer, aware that we can only develop in this way and be present in the world car industry, Vasovic said. [passage omitted]

Members of the French business delegation representing the French Pharmaceutical Group (Sanosi) held talks with the representatives of our pharmaceutical industry, ICN Galenika, Galenika Holding, Hemofarm, Nevena, and the Republican Ministry for Health. They discussed the availability of this pharmaceutical group's products on our market, and the work of our pharmaceutical firms. [passage omitted]

In the working group for technology and equipment for purification of water, (Daniel Tezt), director of the (Degremon) Association from Lyons, held talks with the directors of Lola Corporation, Minel, Energoproject, 14 Oktober, Jaroslav Cerni, and the directors of the water works from Belgrade, Novi Sad, and the Montenegrin coast. [passage omitted]

The talks in the working group for the post office traffic and telecommunications were led by Milorad Jaksic, director general of the Serbian Post Office, and (Gerard Dega), Alcatel's chairman and head of the French business delegation.

Considering that a cooperation agreement has been reached in 1992 between the Serbian Post Office, the Mihajlo Pupin company, and the Electronics Company of Nis, on the one hand, and Alcatel, on the other, the agreement that was interrupted by the sanctions—the agreement amounted to the delivery of 100,000 telephone lines—most of the time was spent discussing how to realize the provisions of the contract as soon as possible, and how to develop cooperation in the future. [passage omitted]

Montenegro

Organizations Call For State's Independence

AU2410131395 Belgrade NASA BORBA in Serbo-Croatian 19 Oct 95 p 4

[Report by FONET: "Montenegro—An Independent and Sovereign State"]

[FBIS Translated Text] Podgorica—Seven Montenegrin associations from Podgorica have sent an appeal to the heads of state and governments of the countries involved in solving the Yugoslav crisis, asking that the leaders of these countries see that "Montenegro is treated as an entity with equal rights and obligations, as all the other republics of the former Yugoslavia already have or will have," MONTENA FAX has reported.

The appeal, sent by the Montenegrin PEN Center, the Democratic Forum for Human Rights and International Relations, the Civic Forum, the Javnost Anti-Fascist Society, the Montenegrin Cultural Society [Matica], the Student Forum, and the Association of Independent Montenegrin Writers, particularly stresses the need for

Montenegro to be treated equally on issues such as "mutual state and legal recognition between the former Yugoslav republics as independent and sovereign states within the borders that they occupied in the joint country," and "in establishing diplomatic and other links and relations with third countries, membership in international organizations and forums," and "succession to the former joint state and establishment of ties and relations between the six new states that would be possible and acceptable in the given circumstances."

Kosovo

Albanian Activists Said 'Targets' of Repression

AU2010070395

[FBIS Editorial Report] Pristina KOSOVA DAILY REPORT in English No 727 on 17 October and Tirana TVSH Television Network in Albanian at 1735 GMT on 19 October carry several reports on Serbian police violence against ethnic Albanians in Kosovo.

Pristina KOSOVA DAILY REPORT in English No 727 on 17 October reports that the Serbian police on 11 October "arrested" an Albanian teacher in the Technical High School in Skenderaj. In 1990, the Albanian teacher was "sentenced to four months in prison" for "having refused to participate in Serbian military drills." The Albanian was "sent to serve out his prison sentence."

The Democratic League of Kosova (LDK) sources in Urosevac report that over the past week, the "so-called Serbian fiscal police raided Albanian private businesses" and "ordered them to pay 200 DM [German marks] each," with "no legal justification whatsoever." The report further notes that "all Albanian businessmen who refused to pay the money or asked for explanations were threatened with heavy fines by the Serbian authorities."

Sources in Podujevo say that, "under the pretext of arms searches," the Serbian police last week "raided" the homes of four Albanians in Kokorovice village, ordering two of them to "report" to the police station on 13 October. The Serbian police in Vucitrn "summoned" another Albanian to "report" to the police station "for interrogation" and "questioned" him about his son, a refuge in Germany for three years, telling him that "his son was politically unfit." On 13 and 16 October, the Serbian police "summoned" two Albanian brothers from Ropice village to "police interrogation allegedly in connection with illegal arms possession charges."

Sources in Vitina say that a Serbian police patrol on 14 October "raided" the home of an Albanian medical technician at Ramjan village, while he "was not at home." From Skenderaj it is reported that the Serbian police on 16 October "detained and ill-treated severely" an LDK activist from Prekaz village, asking him to "turn in some automatic rifles and hand bombs" he allegedly was "in possession of." It is reported that following "police torture," the LDK activist "had to seek medical treatment."

A report from Pristina says that a Serbian police patrol on 9 October "detained" an Albanian from Llaushe village, who "was on his way home" after having spent two years in Germany and the Netherlands. The Albanian, "an English teacher by profession," was questioned about "his alleged political activities in the West" and was "ordered to report back to the Serbian police in Mitrovica on 27 October."

Tirana TVSH Television Network in Albanian at 1735 GMT on 19 October carries a report, stating that "the Albanian political activists" in Kosovo have further become "targets of Serbian regime repression."

Citing the Kosova Information Center, the TV announcer reports that "Zaim Zejnullahu, chairman of the Financial Communal Council, was arrested in Viti [Vitina], while the police in Podujeve [Podujevo] interrogated Jusuf Ejupi, the UNIKOMB [National Unity Party] branch leader." Reports from Podujevo also note that "during a foray, the Serbian police confiscated a large amount of goods and money from Albanian traders and citizens. Such operations have been organized in Ferizaj [Urosevac], where under the pretext of taxes and fines, 200 shops and 80 other enterprises were looted during the past 10 days alone."

Another report also says that "a campaign of recruiting" the Albanian youngsters and "violently sending them to the Serbian Army" was recently organized in the town of Mitrovica.

Concluding, the announces says that "Serbian police raids under the pretext of searching for weapons have been reported in other centers in Kosova."

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